

RB

RESTAURANT BUSINESS

NOVEMBER 1, 1991
A BILL PUBLICATION

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Reprints of the **1991 RESTAURANT GROWTH INDEX** and **1991 MAJOR FORCES IN FRANCHISING** are available for \$7 per copy. Direct inquiries to Editor Scott Allmendinger, *Restaurant Business*, 633 Third Ave., New York, NY 10017.

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COVER STORY THE TOP 100 RESTAURANT COMPANIES. *RB* presents its fourth annual study on the leading U.S. restaurants. This report not only provides a revealing picture of the foodservice industry, but also offers exclusive statistical data prepared in conjunction with Technomic Inc. The top restaurant companies are ranked by systemwide sales and units.

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RESTAURANT BUSINESS/NOVEMBER 1, 1991

Koo Koo Roo Struts Stuff

When New Jersey mortgage banker Ken Berg was out on the West Coast last year, he noticed a long line of people queued up outside a fast-food chicken restaurant on Beverly Blvd. called Koo Koo Roo. On an impulse, he parked his car and got in line.

"I watched Beverly Hills people eating chicken with their hands. You don't see that often," said Berg. When he finally got around to eating his order, he liked the flame-broiled, skinless chicken he tasted. "I asked, 'who owns the place?'" and in a little while Berg told the founding owner Mike Badalian, "I want to buy it."

Badalian, a Los Angeles-area restaurateur, didn't want to sell, but Berg's enthusiasm and financial resources led him to consider a 50% partnership agree-



Mike Badalian (l.) and Ken Berg are partners in Los Angeles-based Koo Koo Roo's nationwide expansion drive.

ment, which was finalized in August 1990.

Berg invested \$2.5 million as working capital to develop the concept. Since then, Koo Koo Roo has expanded to eight units in California, two in New York City, three in South Florida, and one each in Las Vegas and Atlantic City. They average 1,800 to 2,000 sq. ft. and sales of nearly \$500,000 per unit, with the



TOP HOPS. Sonic's National Carhop of the Year competition netted six finalists. With founder Troy Smith are (l. to r.): Alex Martinez, Teresa Shaw, Meaghen Mountain (top winner), Joy Pate, Jane Bartram, and Natalie Warshaw.

exception of Beverly Hills, which takes in more than \$700,000 and Atlantic City, which just opened a Taj Mahal unit at 4,500 sq. ft.

Besides the non-fried skinless chicken, sophisticated side dishes for adult palates include cracked wheat rice, eggplant salad, cucumber and onion salad, and pinto beans. Average check is \$6.50.

"Our goal is to have at least 500 units over the next several years," says Berg. —Marilyn Alva

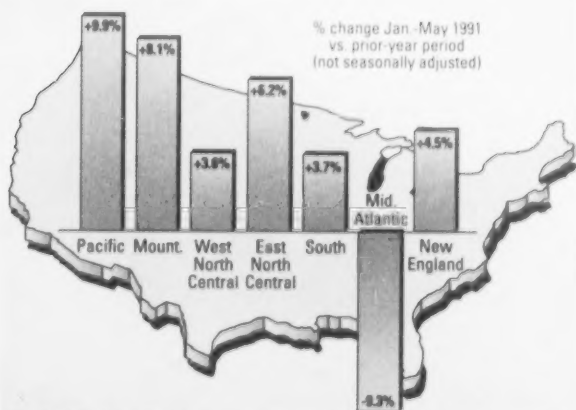
research for the Canadian Restaurant and Foodservices Association, year-to-date take-out and delivery sales (for restaurants dedicated exclusively to these means of delivery) from January through June dropped 17.9% in 1991 versus a year earlier. Industry sales fell 9.4% during the same period. Taking into account inflation at 6%, Canadian restaurants suffered a real decline of 15.4% last year, she says.

The recession accounts for a great deal of the drop, but not all of it. Restaurant sales dropped 19.1% from December to January, for example, 5.9% more than the 13.2% drop in the prior year.

Consul Restaurant Corp. of Bloomington, MN, the largest franchisee of Chi-Chi's Mexican restaurants, blames the GST in great part for its sales slide, which forced the company into Chapter 11 in September. "This was a double whammy," explains Robert A. Lamp, chief financial officer.

Consul closed its six lowest-performing Canadian units in September, and is operating the remaining 11 through a trustee, as required by Canadian law.—Rona Feldman

Regional Sales: Eating & Drinking Places



The Middle Atlantic states were the poorest performers in the country for the first five months of the year; the Western regions were the strongest.

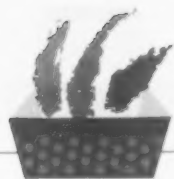
SOURCE: The Food Institute, U.S. Census Bureau

Canadian Tax Derails Biz

Since Canada introduced a 7% Goods and Services Tax (GST) last January, operators—including American chains with units there—have been crying that sales have plummeted as a result.

The tax applies to nearly all goods and services, including restaurant meals, but excludes groceries. As a result, industry take-out sales have suffered most as Canadians seem to have traded over to bake-your-own pizzas and other convenience foods from grocery stores.

According to Robin Garrett, director of information and



FOOD-TO-GO

MARKET SEGMENT REPORT

If democracy means freedom of choice, then the restaurant industry's off-premise segment is fast becoming more democratic. Consumers today can choose from a dizzying array of food-to-go options.

The growth rate of off-premise traffic has tapered off since the huge increases of the mid-'80s. However, the variety of menus and services continues to increase. At the same time, restaurants are facing competition in the take-out arena from retail stores, supermarkets, and convenience stores.

Consumers depend upon foodservice, both on- and off-premise, to supply more and more of their diets, and so they are more and more concerned about the health and nutrition aspects of that food. Increased frequency of food-to-go prompts more price/value considerations, as well.

Food-to-go encompasses carry-out, delivery, and drive-thru. Delivery is the biggest growth area. Not only are more chains and restaurants offering this service, but so-called third-party services will deliver food to customers from a pooled variety of restaurants. Another food-to-go growth segment is corporate catering as employees opt to work through lunch and companies entertain in-house.

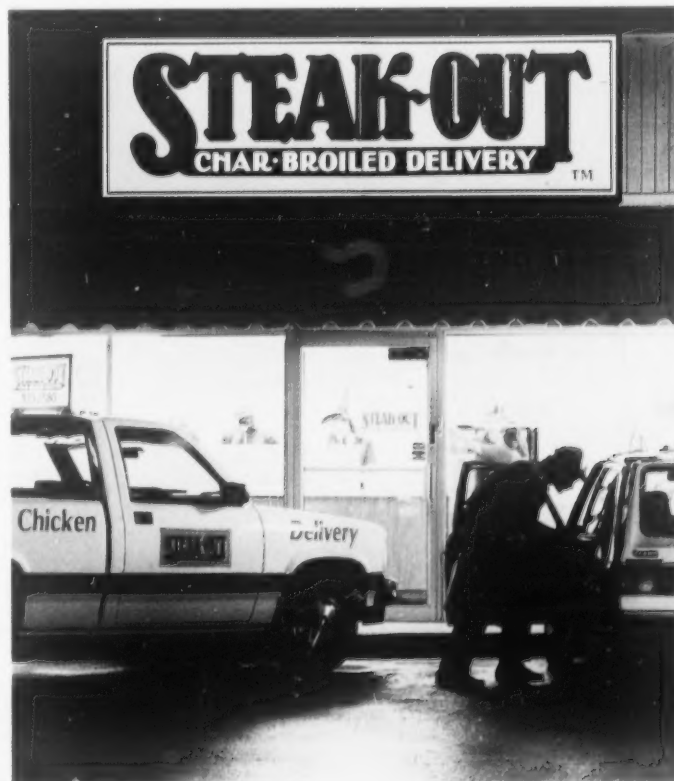
Fast-food chains have always depended upon take-out for a major portion of business; drive-thru windows have accelerated that aspect. Full-service restaurants are also jumping on the take-out bandwagon, but they are finding that successful service needs more promotion than simply noting its availability on the menu.

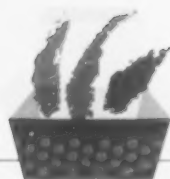
TRAFFIC RATES. In general, increases in to-go traffic have slowed since 1987. The business is still climbing, just not as fast as before. Off-premise sales continue to drive industry growth, according to the 1991 *Off-Premises Update* published on page 122

Heady growth has tapered off to steady increases.

By Carol Casper

Steak-Out delivers the same full menu as a moderately priced steak-house restaurant.





FOOD-TO-GO

MARKET SEGMENT REPORT

lished by the National Restaurant Association (NRA). Off-premise traffic increased 3% or more in each of the past two years, while on-premise traffic was virtually flat.

Food-to-go accounted for 46% of all restaurant transactions in 1990, compared to 44% in 1987, according to figures from CREST, a service of NPD Group Inc., Park Ridge, IL.

Restaurants that do not offer take-out or delivery are working more actively to protect business inside their four walls, observes consultant Dick Good of R.T. Good & Associates, Dayton, OH. However, a stronger factor retarding growth of restaurant take-out is probably increased competition from other sources.

"Supermarkets have gotten more aggressive in competing with restaurants. They already have the traffic coming into the store, so they are

expanding deli departments to tap a ready-made market," Good points out.

Supermarket foodservice grew from a \$7 billion business in 1987 to over \$12 billion today, and is projected to reach \$15 billion by 1994, according to Howard Solganik, another Dayton, OH-based consultant.

A second retail segment providing hot competition for fast-food restaurants is convenience stores. This industry's foodservice sales totaled \$7 billion last year and could double to \$15 billion by the middle of the decade, predicts Tom Campbell, president of C-Store Concepts, Plano, TX, a consultant specializing in c-store foodservice. (For a full report on retail foodservice trends, see *RB's* Retail/Deli Market Segment Report in the February 10, 1991 issue.)

The growing reliance on outside sources to provide basic sustenance is shaping the off-premise market in ways other than simply spurring growth.

"Concern for health and nutrition plays a bigger role in the choice of take-out meals because they form part of people's everyday pattern of consumption," says Terry Woodard-Polster, a California-based consultant who has taught courses on take-out for the NRA. "It's different from the special occasion of going out to a fine restaurant, when people are more apt to set aside dietary concerns."

Another trend is price-consciousness. So although upscale take-out has drawn attention, future growth will probably stem more from fast-food and midscale operations, Good predicts.

Peter Hetherington, publisher of *Meal Delivery Digest*, a newsletter for delivery services, concurs. "Customers today are ordering most from medium-priced restaurants, whereas a few years ago price seemed no object."

Retail stores also compete for take-out dollars.

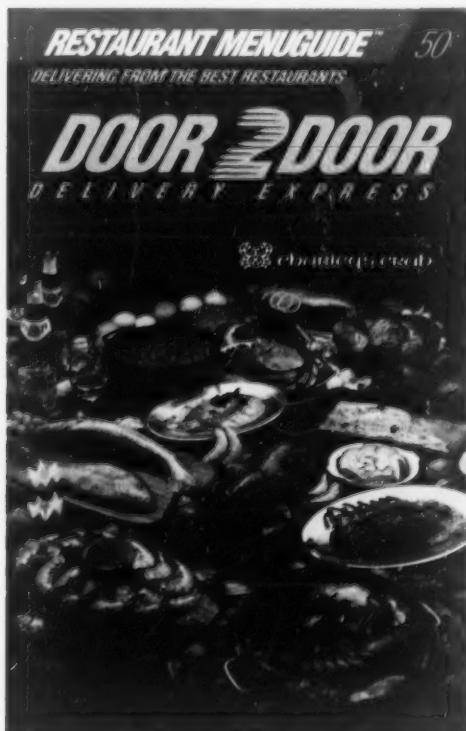
Delivery is the area of greatest activity. Sparked by the success of Domino's pizza and a conviction that Americans are hungry for delivered products other than pizza, existing fast-food chains and new delivery/carry-out ventures are offering choices like chicken, Chinese food, fajitas, and steaks. A growing number of independent restaurants are also adding delivery.

Responding to harried consumers' needs for ease and convenience, creative operators are carving out new niches. In the greater New York City area, services meet commuters at train stations in the evening with take-home meals cooked to order or picked up from restaurants.

In Boston, an independent chef stocks clients' refrigerators with a work week's worth of freshly prepared dinners. Judi Mortner, who operates Seasonal Suppers, originally prepared food for clients in their homes, but about two years ago decided to centralize production for her growing service. She charges \$55 for a single, \$110 for couples, and \$165 for a family of three, for four night's worth of health-oriented, freshly prepared dinners.

DELIVERY. Despite the frenzy of activity, delivery still makes up only the smallest portion of off-premise traffic. It accounted for 8% of the take-out pie in 1990, compared to 61% carry-out and 31% drive-thru, according to CREST. After three years of fast growth, delivery traffic actually registered little increase last year. All the new delivery start-ups suggest, however, that this lull may be temporary.

Kentucky Fried Chicken recently launched delivery from about 100 locations, primarily company-owned stores



Door2Door is a third-party delivery service.

in its home market of Louisville, KY, plus Miami and a few other cities. A small number of franchisees have added the service as well, reports Richard Detwiler, KFC director of public affairs. About 70% of KFC's business is take-out. It hopes to grow new business by expanding delivery.

Another chicken chain experimenting with delivery is El Pollo Loco, Irvine, CA. It launched a corporate pilot program in Scottsdale, AZ, early this summer, following a Las Vegas franchisee's successful foray. In the Las Vegas experiment, delivery initially cannibalized some carry-out and drive-thru sales, but also garnered incremental volume.

"Because the corporate venture is only one store out of seven in the market, we can't do broadcast advertising, only local marketing. But we've already seen some positive results," says Diane Hays-Hoag of El Pollo Loco's marketing department. "We hope eventually to expand delivery to the balance of our seven Phoenix area units."

The franchisee, Nevada Chicken Enterprises (NCE), began delivering from seven of its 19 units. Since adding the program to the rest of the units recently, it has launched some broadcast advertising. NCE has also built awareness with its delivery vans, which serve as "moving billboards."

NCE's vehicles are equipped with propane-fired warming ovens that can carry up to six orders at a time. At its corporate test site, El Pollo Loco simply uses insulated carriers.

EAST-WEST. Two fledgling chains run by Domino's Pizza veterans intend to apply Western marketing and franchising techniques to the delivery of Chinese food. Thomas Burnham, president of HLC America Inc., Ann Arbor, MI, calls it "the last fast-food frontier."

Formerly executive vice president of Domino's Pizza International, Burnham and an investor group have obtained franchise rights for the U.S., Mexico, Israel, and the U.K. from Eric Johnson, the Toronto, Canada-based originator of the Ho-Lee-Chow concept. Johnson has already launched 24 locations in



Drawing of Zippy's double-drive-thru prototype, which sports a limited menu.

Canada with six more planned this year.

To the original concept, Burnham has added a computer system for the stores, which combines POS functions, marketing, accounting, and inventory control, and a centralized purchasing system. His team numbers over a dozen former Domino's executives and managers. HLC America opened its third company store in August. It expects to have 10 more U.S. locations by year's end, plus one each in the U.K. and Mexico City.

HLC's "Chinese-themed" menu of more than 75 items includes traditional Chinese dishes; however, it also contains nontraditional items formulated specifically for delivery. They include popular fast foods and novelties like Chinese-style chicken nuggets, "Forbidden City" marinated fried chicken, "Peking Pizza," beef and chicken kabobs, honey-garlic spareribs, and

China Chips—an Oriental version of nachos.

Another group of ex-Domino's executives has begun building its own Chinese delivery chain based in Newport Beach, CA. Confucius is headed by Robert Cotman, who was Domino's senior vice president.

Like HLC, Cotman's group is the U.S. arm of a concept that originated in Canada. Stelway Food Services of Canada opened the first Confucius in Vancouver six years ago and now operates seven other units north of the border. Early last spring, the U.S. company opened its first unit in Tustin, CA.

STAKING A CLAIM. Another budding delivery franchisor that has already carved out a toehold is Steak-Out Char-Broiled Delivery, based in Huntsville, AL. It operates 31 stores primarily in the Southeast.

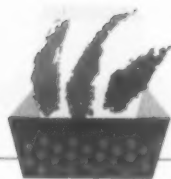
Steak-Out's menu features ribeye steaks, New York strips, steak tips, and chopped steak, all served with salad, baked potato, roll, butter, and sour cream. It also offers a grilled chicken-breast alternative, cheeseburgers, steak and chicken sandwiches, chef salads, and desserts.

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Off-premise

traffic grew

3% last year.



FOOD-TO-GO

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After opening two stores, the company began franchising in 1988. It plans to continue building in the Southeast through 1992 with a target of 80 stores. Lunch accounts for 40% to 50% of dollar sales, and an even larger percentage of orders, according to founder and president David Martin.

An independent operator in Nashville, TN, has opened a similar concept. Charcoal Charlie's offers a slightly more upscale menu including filet mignon, London broil, and more non-beef entrees such as chicken teriyaki, King salmon, and smoked trout. Manager Marcel Lieskamp and several partners launched the operation last September.

Unlike Steak-Out, Charlie's also has a small eat-in area that is heavily utilized for lunch. Eat-in and take-out combine for about 30% of sales; the rest is delivery. Overall business splits about 50-50 between lunch and dinner. The delivery check at lunch runs \$20 to \$25, representing several people ordering together. Dinner tickets average \$14 and are mainly single orders.

TEX-MEX TO GO. A Bryan, TX-based chain is launching a delivery shop featuring Tex-Mex foods. Montgomery Foods Inc. operates four Tejas Cafe & Bar restaurants. It recently decided to supplement these full-service operations with a Tejas Cafe delivery/carry-out concept. The family behind Montgomery also owns Pizza Hut of the Brazos Valley, and was among the first franchisees to spearhead home delivery for Pizza Hut, notes vice president John Lampo. "So we already know a lot about the delivery business."

The full-service Tejas Cafes already offer delivery, accounting for up to 25% of business at one location and 10% to 15% at the others. "But delivery out of the back of the house is a management nightmare," says Lampo.

The first unit is a 1000-sq.-ft. in-line site in a high-traffic

area. It will offer a limited selection of items from the full-service restaurants, picked in part for their ability to travel. They include fajitas, chimichangas, enchiladas, tacos, chicken-fried steak, fried chicken, chicken tenders, burgers, and salads. Also featured are party packs of chips and picante sauce, chili, and guacamole.

THIRD-PARTY SERVICES. Another major development to be reckoned with these days is the growth of third-party services that handle delivery for a number of restaurants. In exchange for the deliveries, services usually ask for a share of the meal price ranging from 20% to 35%, and collect a delivery charge from customers.

In the past 18 months, the number of such services has doubled to perhaps 350, says Hetherington of *Meal Delivery Digest*. At the same time, at least 25 have gone under or been bought out.

Hetherington opened his own service five years ago in Newport Beach, CA, and sold it to several employees last year to concentrate on consulting.

Some companies are adding other delivery services such as flowers or videos, or promoting catering. The successful services are computerized and

Delivery accounts

for only 8% of

the take-out pie.

many are selling advertising to offset the costs of their menu books. The average service delivers for about 10 to 15 restaurants, but a few with more sophisticated systems can handle as many as 40 to 60, says Hetherington.

Two services, Takeout Taxi Inc., Herndon, VA, and Door2Door Delivery Express, Clawson, MI, have begun franchising and both hope to become national presences.

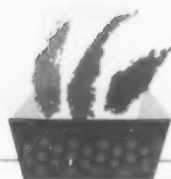
Kevin Abt, founder and president of Takeout Taxi, launched his service in 1987 and in three years built it to five northern Virginia locations representing over 100 restaurants. He initially licensed his software to other services for a one-time fee but recently switched his thrust to franchising.

Abt distinguished his service early on as concentrating on "midscale foods at moderate prices." Abt also put a

continued on page 128



El Pollo Loco's colorful delivery vans are "moving billboards" for the service.



FOOD-TO-GO

MARKET SEGMENT REPORT

heavy emphasis on using data gleaned from the computerized ordering system to drive direct-mail marketing.

He has recently expanded this approach to offer restaurants marketing programs for their on-premise business as well. "As a value-added service, we can build computer databases of restaurants' dine-in customers and tailor direct mailings to this segment of their business as well as delivery."

Door2Door's president Kirk Scott brings eight years of computer expertise plus restaurant management experience to the company he founded in 1988. Among the features distinguishing Door2Door's system, he notes, are its ability to handle high volumes and large delivery areas from one location.

His original operation delivers from over 75 restaurants in a 200-sq.-mi. area north and west of Detroit. It averages nearly 200 deliveries a day made up largely of multiple orders. Lunch transactions average \$30, representing about six orders. Dinner deliveries average \$28, typically feeding two to three persons.

The ability to handle this volume lies in the software Scott designed, which

can coordinate orders from a large number of terminals and manage drivers at multiple remote dispatching centers. The software uses a map system to pinpoint each customer and restaurant location and calculate delivery charges, which run \$2 within a local area plus 75¢ for each additional mile.

Another feature that distinguishes Door2Door is its menu guide, notes Tracy Naples Gassen, vice president of franchising. It contains editorial material, advertising, and complete menus for each restaurant. Door2Door will publish these menu guides for its franchisees. Door2Door has one franchise operating and two more slated to open by December.

Menu Express in Nashville, operated by Lee Pedigo, is fairly typical of the successful independent service. It delivers for nine restaurants in a roughly 4.5-mi. radius and tries to keep travel time down to no more than 15 minutes.

Menu Express averages \$25 per order and with a typical \$8 per-person ticket. "We do 35% to 40% of business at lunch and have started targeting that period more. It involves a lot of multiple orders, while evening business comes mainly from singles and cou-

Data from delivery can augment marketing efforts.

ples." Pedigo uses a computer to take orders, then prints out hard copies that are faxed to restaurants. About 20% of callers want to combine deliveries. In this situation, Menu Express charges \$3 for the first restaurant and \$2 each for additional ones.

DO IT YOURSELF. Jeff Senior and partners decided to offer their own delivery service from their Italian restaurant Caffe Lampara in Boston, although they had formerly used a third-party service for their two Skipjack's Seafood Emporiums. They had no quarrels with the service provided, Senior says. They just prefer to have total control. "Some delivery services mark up menu items or charge customers a fee, and we don't feel that's right," Senior says.

Senior hopes delivery will make up 15% to 20% of the new restaurant's sales. Caffe Lampara just started its service in late summer and initially did more off-premise sales through carry-out. However, Senior expects that to change with students returning to nearby Boston University.

The Levy Restaurants, Chicago, introduced its own Chef's Express delivery service last spring, featuring menus from seven of its Chicago restaurants. This fall, however, it decided to limit the service to just two concepts, Randall's Rib House and Bistro 110, which have accounted for the largest share of deliveries.

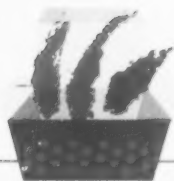
Levy originally offered the service evenings only, but has extended it to lunch, and plans to pursue corporate business more aggressively, notes marketing coordinator Lynne Goldman.

Another approach to delivery is being touted by Larry Colligan, operator of Tucson's Hidden Valley Inn and a

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Creative Gourmets' Foods To Go focuses on corporate catering.



FOOD-TO-GO

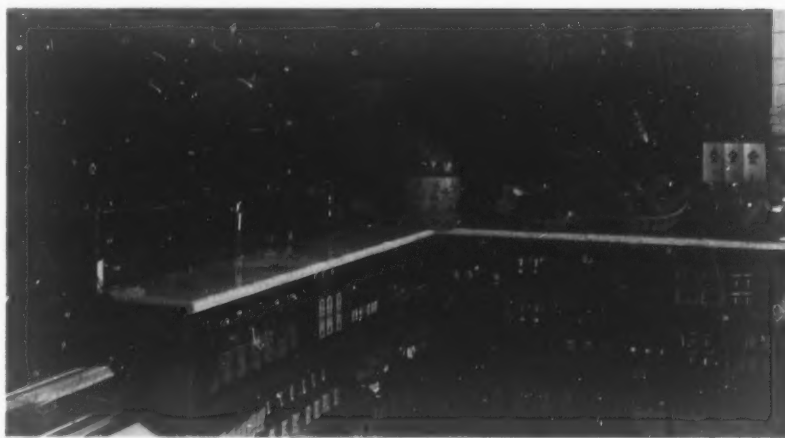
MARKET SEGMENT REPORT

delivery service, Mr. C's Chicken & Ribs presented by the Inn. Colligan put together a fleet of 10 vans equipped with refrigerators and holding ovens to deliver complete meals with entrees like oven-roasted chicken, mesquite-roasted barbecued ribs, and mini meat loafs. He hopes to sign up well-known restaurants in a number of cities for the same kind of service.

CORPORATE CATERING. Like Levy, many delivery operations have found office service a more fertile market than they anticipated. This should not be surprising, as studies show Americans spend more hours on the job today than a decade ago. Opportunities include supplying food to individuals or groups working through lunch or staying late, as well as catering meetings.

Companies going after this market often tailor their service to suit businesses. Door2Door offers monthly billing to corporate clients. Steak-Out takes pains to make sure multi-order deliveries go smoothly by printing separate tickets as well as a master ticket for each order, and packing the extras that go with each entree in individual bags to ease distribution.

A lot of operators underestimate the complexities of serving corporate needs, says Amy Zintl, director of sales and marketing for Boston's Creative



Rosticceria Toscana in Brentwood, CA, offers "Tuscan Take Home Cooking."

"Our primary application is providing food for scheduled meetings of 10 to 15 people, although we deliver smaller orders for some customers," Zintl notes. Orders should be placed by 2 p.m. for next-day delivery. The company also offers same-day Express Service with three hours notice for a 25% surcharge.

Creative Gourmets is a division of Gardner Merchant, Trumbull, CT (formerly Trusthouse Forte Food Services), which has a lot of experience catering to business needs in a variety of settings. Another of its successful ventures is Pi's Place restaurant in Miami's Centrust Tower, which operates a satellite venture, 2GO, in the same building to meet the take-out needs of its office population. The restaurant's kitchen doubles as commissary for the take-out store, allowing 2GO to serve several hundred people daily with a staff of three. 2GO also caters meetings in the office tower on one-day notice, while individuals can call in lunch orders for pick-up with a few minutes turnaround.

FAST FOOD. Despite all the activity in other segments, quick-service restaurants still account for the lion's share of off-premise sales. They contributed 91.9% of off-premise traffic in 1990, CREST reports. The combination of carry-out, drive-thru, and delivery made up 62% of all fast-food transac-

tions. One interesting note is that carry-out grew faster than drive-thru in 1990 for the first time in four years. Whether this represents a change in customer preference, a slowdown in development, or a temporary blip in the numbers is hard to say.

Consultant Woodard-Polster notes that in Los Angeles and other metro areas, drive-thru permits have been restricted due to concerns over traffic and pollution. Few operators, however, appear to be backing away from the concept.

A Southern California chain, In-N-Out Burger, Baldwin Park, says its goal to appeal to a broader range of customers led the company to add dining rooms to its original drive-thru-only format. About half of the company's 69 units now offer seating for 50 to 70 in addition to drive-thru. Newer sites feature up to 100 seats.

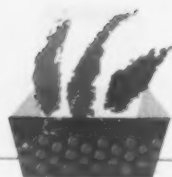
The chain claims the distinction of having introduced the first hamburger drive-thru to California when its original unit debuted back in 1948, in the era of drive-ins and carhops. Since son Rich Snyder took over management of the privately-owned chain from founders Harry and Esther Snyder in 1976, growth has sped up considerably.

In other parts of the country, drive-
continued on page 132

62% of fast-food transactions were off-premise.

Gourmets Ltd. This foodservice management and catering company launched a separate service five years ago, called Foods to Go, to handle deliveries to offices.

Creative Gourmets distinguishes this business from its catering operation, which involves customized menus and a higher level of on-premise service.



FOOD-TO-GO

MARKET SEGMENT REPORT

thru operators also remain unfazed. Bob Gontram, president of Zipps Drive-Thru, a chain of double drive-thrus based in St. Louis, MO, believes the format still has "tremendous development potential." Zipps grew 25% last year to a total of 49 units, 23 of them franchised.

While In-N-Out presented an alternative to carhop service back in 1948, Sonic Industries Inc., Oklahoma City, OK, has stuck with the drive-in format it began with in 1951. However, it has recently been building units that combine drive-thru windows with drive-in stalls. There are no plans to abandon carhop service and the jury is still out on which version will become its primary expansion vehicle, chairman C. Stephen Lynn reports.

"My gut feeling is that in areas where we already have a concentration, new units will not have drive-up win-

dows. But as we expand into markets where we have little or no penetration, combination units make sense." Take-out for Sonic means customers taking the food off-premises after ordering, versus staying and eating in the car. By this definition, close to 60% of business is off-premise, Lynn notes.

The 1,115-unit chain has boosted sales to \$514 million in fiscal '91 from \$455 million last year. Average store sales systemwide rose from \$446,000 to \$494,000. Operations are spread among 22 Sunbelt states, and 100 new units are projected for fiscal '92.

Traditional fast-food outlets account for the majority of drive-thru sales, but some operators in other segments are also trying the format.

The Spaghetti Shop, Champaign, IL, began adding drive-thrus about a year ago after having built 25 units without them. "Drive-thru is now a full part of the program," says Jim Teaters, president. "All new units will include them and several franchisees are retrofitting their stores." About 65% of volume comes from take-out overall. In drive-thru-equipped units the windows account for more than half that volume.

The Spaghetti Shop offers individual lunches and dinners, but its most popular items are family-size buckets of pasta with sauce, available for take-out only. They account for 44% of total sales or two-thirds of take-out volume. At last count the chain had four company stores and more than 30 franchised units concentrated in the Midwest.

Another unusual application of drive-thru service is for

Catering to offices has great growth potential.

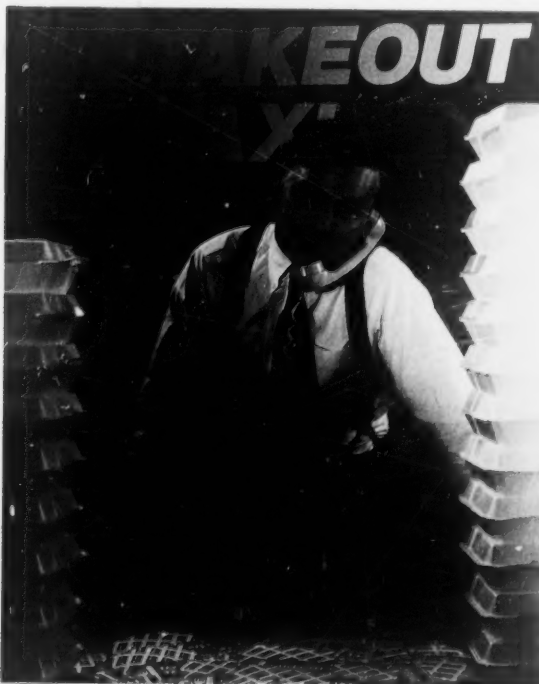
Chinese food. Even full-service Chinese restaurants are often known for their speed, but owner Joseph Fong picks up the pace at his two Chinese Chef restaurants in Springfield, MO, with a fast-food format incorporating drive-thru service.

Fong first included a drive-thru lane when he built his second restaurant eight years ago. This fall he replaced his original unit with a reconstruction that also features a drive-thru. At his second, smaller unit, which has 55 inside seats, the window accounts for 40% of business. Carry-out contributes another 20%, and 40% is eat-in.

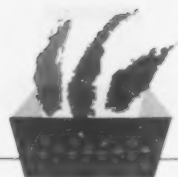
The operators of Houston's three Cafe Express restaurants, which were designed to fill the gap between upscale eateries and fast-food outlets, have not yet built a drive-thru-equipped unit but consider it a strong possibility as they expand, says Lonnie Schiller, president of Express Foods Inc.

Schiller notes that the concept has changed since he and wife Candice opened the first Cafe Express in 1984 with partner Robert Del Grande, the creative force behind Houston's upscale Cafe Annie. Located in an office building, Cafe Express was initially developed to offer lunches to office workers. "We soon realized that with a little tweaking the food and service lent themselves to evening business as well," Schiller notes. "We became more of a destination restaurant that just happened to be self-service." This change shifted business from an initial mix of nearly 80% lunch and 20% take-out to about a 50-50 split between lunch and dinner, with about 12% take-out. Checks average \$7.50.

Americans have generally become
continued on page 136



Kevin Abt, founder and president of Takeout Taxi, takes an order.



FOOD-TO-GO

MARKET SEGMENT REPORT

more sophisticated about food. Operators that have responded to this trend include a Boston-based franchise, New Boston Chicken Inc., and independent Rosti in Brentwood, CA.

Boston Chicken tags its food "Take Home Cooking" to stress the fact that everything on the menu is prepared from scratch in each store. This includes its signature marinated rotisserie chicken, fresh hot vegetables, cold salads, chicken soup, chicken pot pies, and baked goods.

"Our approach is 'good food fast,'" says Charlie Cocotas, president, who was COO of Church's Fried Chicken before joining Boston Chicken two years ago. Since the target market is take-home, 33-unit Boston Chicken sells deli-style, including whole and half chickens, vegetables, and soups by the pint or quart, salads by the pound, and baked goods by the dozen, as well as offering individual servings. "We've added seating to new units because customers wanted it, but we plan to keep it minimal," he adds. About 70% of its volume is take-out.

Kathie and Michael Gordon initially envisioned Rosti, opened last spring, as "an Italian version of take-home chicken," notes Kathie Gordon, but the fin-



Mr. C's Chicken & Ribs has a fleet of vans equipped with refrigerators and ovens.

ished product ended up a bit wider in scope. She attributes this to the influence of partner and executive chef Agostino Sciandri.

The three still bill Rosti—short for Rosticceria Toscana—as "Tuscan Take Home Cooking," and its biggest seller is a half chicken, pounded and griddled with rosemary and garlic, served with roasted potatoes for \$6.75.

About two-thirds of business is carry-out, while a 32-seat outdoor patio has generated more on-premise business than expected. Checks average \$10 compared to a \$20 lunch average and higher dinner tab at the more formal, strictly eat-in Trattoria Toscana.

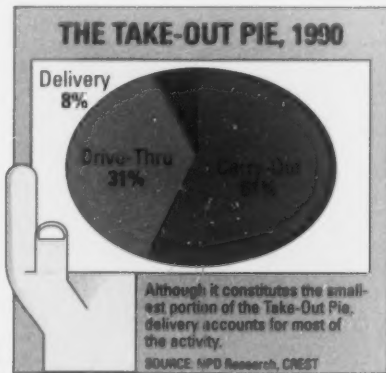
FULL-SERVICE OPTION. As all sorts of full-service restaurants continue to add take-out as an option, one thing many operators are learning is that they need to do considerably more promotion than simply stating its availability on the menu.

Tejas, a Southwest-themed Minneapolis restaurant that has offered take-out since it opened four years ago, began a refillable coffee mug promotion last spring to help draw attention to the service. Although it has a separate counter with display cases, catering

director Melanie Peacock says, "You could eat here and still not know we have a take-out section." To remedy this, Tejas does frequent mailings and prints take-out and fax menus that include a box lunch program.

The menu features soups, salads, entrees like grilled steak quesadillas and steak or chicken fajitas, as well as sandwiches like grilled chicken salad with cilantro pesto and maple-cured ham with Jack cheese. Currently 75% to 80% of take-out is at lunch, accounting for about 10% to 15% of total restaurant sales. The restaurant recently launched a new program to garner more evening take-out, offering dinner entrees packaged cold with instructions on how to heat them quickly at home. The restaurant also delivers orders over \$10 in downtown Minneapolis, and will station runners outside its mall location, so customers in cars can pick them up.

Despite the plethora of choices, customers are still hungering for more food-to-go options. Operators who can deliver convenience, good nutrition, variety, and value will find success in the take-out arena.



RBB

RESTAURANT BUSINESS

NOVEMBER 20,
A BILL PUBLICATION

INDEPENDENT 5TH-85:
NEWYEE
JACK'S OYSTER HOUSE

MARKET
MAKING A ME
MARKET SEG
CASUAL THEME 189

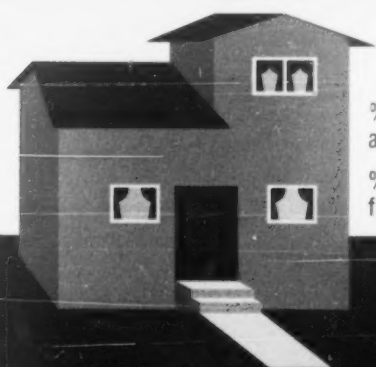
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the TOP 100 RESTAURANT COMPANIES

115

BUSINESS BAROMETER

Eating Out Since the 50s



% of all food expenditures
away from home:

1950	1960	1970	1980	1990
24.2%	26.6%	33.7%	39.4%	45.7%

% of food expenditures away
from home that was fast food:

1950	1960	1970	1980	1990
6.2	7.1	18.4	27.9	34.4

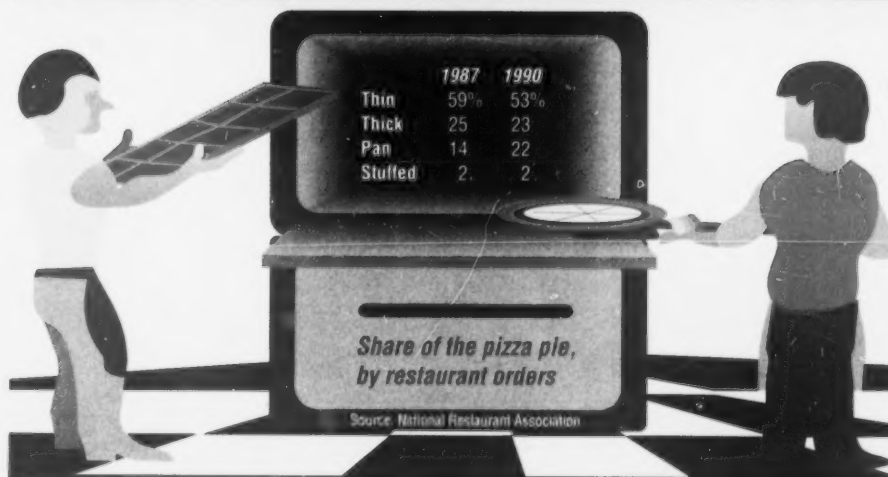
Since the 1950s, Americans have been spending more and more of their food money away from home; fast food accounted for much of that growth.



Source: U.S. Dept. of Agriculture Economic Research Service

Pizza-Pie Orders

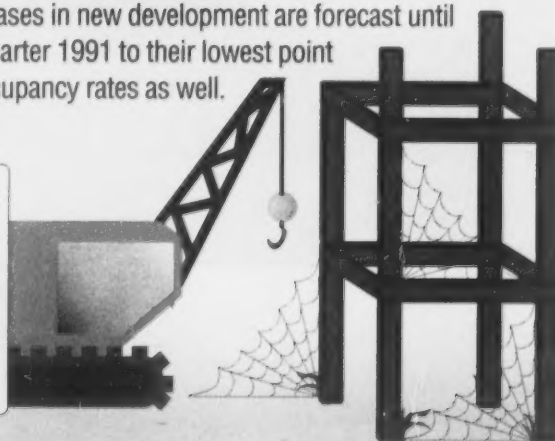
Orders for pan pizza surged dramatically between 1987 and 1990 while thin-crust pizza demand declined. However, thin-crust pizza still remains the top choice among American consumers.



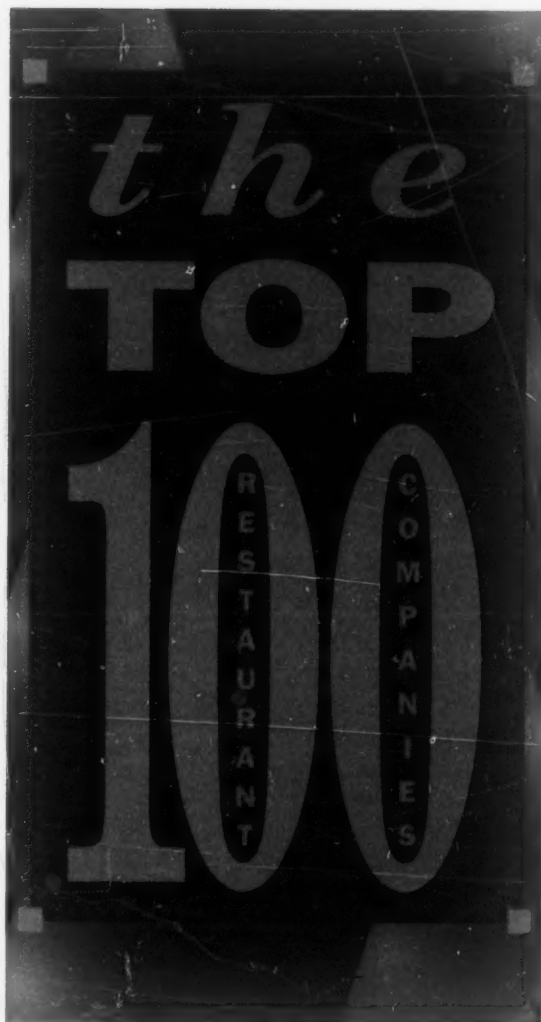
Hotel-Industry Forecast No significant increases in new development are forecast until 1993 (new hotel-room starts plummeted in the first quarter 1991 to their lowest point since 1975). A rebound in demand will likely boost occupancy rates as well.

	1990	1991	1992 (P)	1993 (P)
Occupancy Rates	63.2%	61%	62.6%	64.1%
	(+0.3%)	(-3.5%)	(+2.5%)	(+2.5%)
New-room Starts	72,177	26,339	23,033	27,826
	(-32.6%)	(-63.5%)	(-12.6%)	(+20.8%)
Average Daily Rates	\$58.22	\$58.96	\$60.55	\$63.43
	(+3.2%)	(+1.3%)	(+2.7%)	(+4.8%)
(% change, seasonally adjusted)				

Source: Coopers & Lybrand



Charts by Peter K. Niceberg



COVER STORY

TOP 100 RESTAURANT COMPANIES. This year's Top 100 report, *RB's* fourth annual, takes a broader approach than in past years. Once a ranking of the industry's biggest chains, the Top 100 now ranks the largest restaurant companies overall and provides specific sales and unit numbers for each chain they operate in the U.S. This amounts to a more in-depth accounting of the industry's major players, because far more chains are analyzed. As usual, the Top 100—along with an accompanying Top 50 Public Companies listing on page 121—is a joint effort by *RB* and Technomic Inc., which provides exclusive data for this report **115**

FEATURES

INDEPENDENT STAR KEWPEE. This remnant of a 1930s hamburger chain in Racine, WI, is independently operated today. Kewpee's long standing in the community has garnered it a loyal following. A combination of low overhead, a simple menu, and low labor costs keeps the low-grossing operation in the black **78**

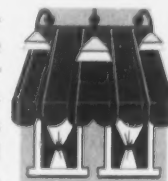
INDEPENDENT STAR JACK'S OYSTER HOUSE. At the venerable age of 78, this Albany, NY, seafood restaurant generates sales of \$2 million a year. Politicians and tourists alike enjoy this state capitol landmark..... **86**

MARKETING MAKING A MENU. If restaurants had windows into their souls they would likely be in the form of a menu. But menus are also marketing tools. Designed wisely, they can make for effective advertising. Done not so smartly, they can hurt a business as surely as the steepest of economic declines **92**

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MULTI-UNIT OPERATOR D'AMICO & PARTNERS. Minneapolis-based hospitality management and consulting company has a knack for making calculated risks pay off. It has won national recognition for its cutting edge concepts D'Amico Cucina, Azur, and Bocce. The 8-year-old company predicts sales of \$14 million this year..... **147**

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Cover design by Beth Meyers

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IN THE NEXT ISSUE

COVER STORY THE PRESIDENTS FORECAST. The 10th Annual Presidents Forecast brings together the following participants for dynamic discussion: Joseph Baum, president, B.E. Rock Corp. (The Rainbow Room); Charles Cocotas, president & COO, New Boston Chicken Inc.; Don Clawson, vice president food & beverage, Radisson Hotels International; Joseph Durocher, Ph.D., University of New Hampshire; William Fisher, executive vice president, National Restaurant Association; Victor Gielisse, owner/operator, Actuelle; William Miller, president, Red Robin International; and Bud Roche, chairman, Roche Brothers Supermarkets. Nancy Kruse, Technomic, moderates.

SPECIAL FEATURE "HOME FOR THE HOLIDAYS." 1989 appears to have been the last great year for corporate spending. After a terrible season, this year shows gains in bookings, but caterers and operators say the parties are more modest.

MARKET SEGMENT REPORT SUB/SANDWICH. This segment is marked by an upgrade of sorts; a number of companies are positioning themselves with a higher-quality menu approach while offering the speed of quick-service.



TEST KITCHEN:
Salads, p. 195.

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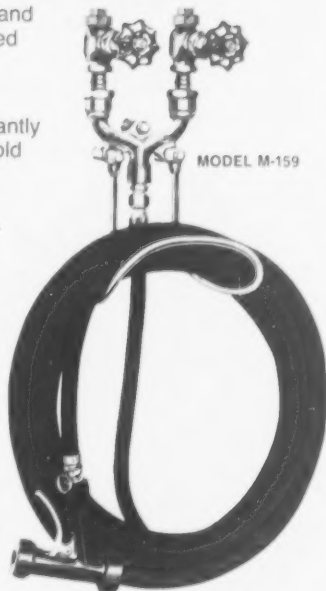
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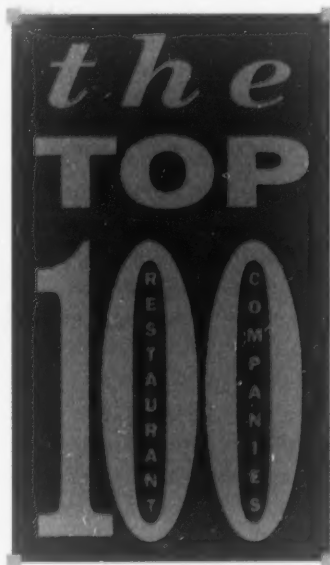
RESTAURANT BUSINESS/NOVEMBER 20, 1991

For information circle number 140

RB

COVER STORY

THIS YEAR'S TOP 100 REPORT, RB'S FOURTH ANNUAL, TAKES A BROADER APPROACH THAN IN PAST YEARS. ONCE A RANKING OF THE INDUSTRY'S BIGGEST CHAINS, THE TOP 100 NOW RANKS THE LARGEST RESTAURANT COMPANIES OVERALL AND PROVIDES SPECIFIC SALES AND UNIT NUMBERS FOR EACH CHAIN THEY OPERATE IN THE U.S. THIS AMOUNTS TO A MORE IN-DEPTH ACCOUNTING OF THE INDUSTRY'S MAJOR PLAYERS, BECAUSE FAR MORE CHAINS ARE ANALYZED THAN IN PAST YEARS. AS USUAL, THE TOP 100—ALONG WITH AN ACCOMPANYING TOP 50 PUBLIC COMPANIES LISTING ON PAGE 121—IS A JOINT EFFORT BY *RB* AND TECHNOMIC INC., WHICH PROVIDES EXCLUSIVE DATA FOR THIS REPORT.



the TOP 100

Like the nation's economy and its people's confidence level, last year's performance of *Restaurant Business'* Top 100 restaurant companies was, to say the least, uninspired. With a combined \$74.9 billion in sales, the Top 100 achieved a 6% sales gain over 1989, but in real terms that amounted to a paltry 1.3% gain. That may be better than the industry's 0.5% real sales increase in 1990 but it's still poor.

"I often hear CEOs say 'Our business will be better when the economy gets back to normal,'" says PepsiCo chairman and CEO Wayne Calloway. "But I don't think that things will ever return to the way they were."

In fact, since the mid-1980s, the Top 100 have been adding units a lot faster than they've been able to jack up sales. At 4.1%, the group's unit growth rate in 1990 was more than three times that of real sales growth. That amounts to an ever smaller growth pie from which to feed. Unable to show sales gains at the store level, operators are having to secure growth primarily through adding new restaurants. And that cycle isn't likely to reverse any time soon.

In order to reflect further consolidation in the industry, this year's Top 100 report takes a different approach from past years. Rather than targeting the 100 biggest chains we're now tracking the largest restaurant companies. And with good reason. Though the Top 100 companies represent only a quarter of the nation's 392,000 restaurants, they

Rank	Company	1990 U.S. Sales		U.S. Units		Unit Rank
		(\$000's)	% Change	Number	% Change	
1	McDonald's Corp.	12,251,600	2.0%	8,576	3.7%	2
	McDonald's	12,251,600	2.0%	8,576	3.7%	
2	PepsiCo Food Service	9,434,300	13.7%	14,997	5.0%	1
	Pizza Hut	3,800,000	15.2%	6,688	7.1%	
	Kentucky Fried Chicken	3,200,000	6.7%	5,006	0.9%	
	Taco Bell	2,400,000	20.0%	3,227	4.7%	
	Hot 'N Now Hamburgers	34,300 *	50.8%	76	68.9%	
3	Grand Metropolitan, PLC	5,329,000	3.4%	5,764	1.6%	3
	Burger King	5,250,000 *	3.4%	5,469	1.7%	
	Häagen-Dazs	79,000 *	2.6%	295 *	0.0%	
4	Imasco, Ltd.	3,360,000	15.9%	4,022	22.2%	8
	Hardee's/Roy Rogers	3,360,000 *	15.9%	4,022	22.2%	
5	Wendy's International, Inc.	2,835,000	0.3%	3,436	-1.5%	9
	Wendy's	2,835,000 *	0.3%	3,436	-1.5%	
6	TW Services, Inc.	2,670,757	9.6%	2,221	3.6%	12
	Denny's Restaurants	1,686,720 *	10.2%	1,294	1.6%	
	Hardee's	510,457	9.3%	483	3.9%	
	Quincy's Family Steakhouse	281,510	6.9%	212	-0.5%	
	El Pollo Loco	192,070 *	9.8%	232	20.8%	
7	Domino's Pizza, Inc.	2,500,000	12.7%	5,003	3.6%	5
	Domino's Pizza	2,500,000	12.7%	5,003	3.6%	
8	International Dairy Queen, Inc.	2,142,600	2.6%	5,277	-1.4%	4
	Dairy Queen	2,025,000 *	3.1%	4,622	-0.1%	
	Orange Julius of America	85,000 *	-3.4%	466	-7.9%	
	Karmel Korn	17,600	-12.0%	138	-15.9%	
	Golden Skillet	15,000 *	0.0%	51	-5.6%	
9	General Mills Restaurant Group	1,913,985	14.8%	703	13.9%	24
	Red Lobster	1,362,000	6.4%	475	6.3%	
	Olive Garden	551,985	42.6%	228	34.1%	
10	Shoney's, Inc.	1,584,695	10.3%	1,658	4.6%	15
	Shoney's	991,279	14.9%	734	7.9%	
	Captain D's	413,537	5.4%	633	4.3%	
	Lee's Famous Recipe	140,754	-3.1%	274	-2.8%	
	Specialty Dinnerhouses	39,125	8.5%	17	6.3%	
11	Allied-Lyons, PLC	1,438,336	18.3%	4,433	13.6%	7
	Dunkin' Donuts	790,722	10.6%	1,680	7.3%	
	Baskin-Robbins	490,000 *	2.7%	2,278	-2.0%	
	Mister Donut	127,648	-17.6%	480	-8.7%	
	Chili's	29,966	27.7%	15	25.0%	

* Estimate

the TOP 100

Rank	Company	1990 U.S. Sales (\$000's)	% Change	U.S. Units Number	% Change	Unit Rank
12	Little Caesar Enterprises, Inc.	1,400,000	23.9%	3,173	17.5%	10
	Little Caesars	1,400,000	23.9%	3,173	17.5%	
13	Foodmaker, Inc.	1,372,272	12.1%	1,241	7.3%	17
	Jack in the Box	944,000	13.2%	1,040	5.5%	
	Chi-Chi's	428,272	9.8%	201	17.5%	
14	DWG	1,366,500	9.3%	2,314	8.6%	11
	Arby's Restaurants	1,363,000	9.0%	2,309	8.4%	
	Daddy-O's Express	3,500 *	45.8%	5	66.7%	
15	Doctor's Associates, Inc.	1,123,000	39.9%	4,866	23.1%	6
	Subway Sandwiches	1,100,000	37.5%	4,777	21.3%	
	Cajun Joe's	23,000	666.7%	89	456.3%	
16	Metromedia	1,097,000	-6.0%	1,147	-5.5%	19
	Ponderosa	651,000	0.2%	727	3.3%	
	Bonanza	446,000	-13.8%	420	-17.6%	
17	Elias Brothers Restaurants, Inc.	1,046,700	0.0%	923	-0.1%	21
	Big Boy	1,040,000	0.0%	915	0.0%	
	Top Hat	6,700 *	-6.9%	8	-11.1%	
18	Collins Foods Intl., Inc.	1,041,584	6.7%	849	2.3%	22
	Sizzler	903,100	6.2%	640	2.7%	
	Kentucky Fried Chicken	138,484	9.7%	209	1.0%	
19	Copeland, A., Enterprises	1,032,500	-1.0%	1,845	-0.7%	13
	Popeyes Fried Chicken	541,000	3.8%	778	5.3%	
	Church's Fried Chicken	468,000 *	-6.2%	1,059	-4.7%	
	Copeland's	23,500	4.4%	8	0.0%	
20	Tennessee Restaurant Co.	992,000	1.2%	1,198	0.4%	18
	Friendly	520,000	-6.6%	799	-3.0%	
	Perkins Family Restaurants	472,000 *	11.5%	399	8.1%	
21	Restaurant Enterprises Group	907,600	3.7%	521	-1.9%	32
	El Torito	393,500	2.4%	180	-0.6%	
	R.E.G. Coffee Shops	319,800	9.0%	252	-1.6%	
	Far West Dinnerhouses	194,300	-1.5%	89	-5.3%	
22	Long John Silver's Holdings, Inc.	777,336	-0.3%	1,434	-2.1%	16
	Long John Silver's	777,336	-0.3%	1,434	-2.1%	
23	Bonate Holding Corp.	735,000	5.0%	380	0.3%	48
	Bennigan's	535,000 *	5.9%	225 *	2.3%	
	Steak 'N Ala	200,000 *	2.6%	155 *	-2.5%	
24	Carlson Companies, Inc.	672,167	8.7%	410	1.7%	43
	TGI Friday's	470,950	12.3%	159	7.4%	

account for nearly half of the industry's \$157.6 billion in sales. Furthermore, six of the top 10 and 19 of the top 25 companies on this year's list are multi-concept operators. A number of companies include as many as four different chains—PepsiCo, TW Services, International Dairy Queen, and Shoney's among them.

In case there was ever any doubt, the big do indeed continue to get bigger. The top three companies—McDonald's, PepsiCo, and Burger King parent Grand Metropolitan—

**THE TOP 100
COMPANIES REPRESENT
ONLY A QUARTER OF
TOTAL RESTAURANTS
BUT NEARLY HALF OF
ALL SALES.**

totalled \$27 billion in sales last year. That's 36.1% of all Top 100 sales and nearly 20% of industry sales overall. Furthermore, the 10 largest Top 100 companies control nearly 60% of the group's sales and 29% of total industry sales.

Such concentration, combined with a near-saturated market, makes growth through acquisition a more feasible, if costlier, tactic than unit-by-unit growth. Kyotaru America Corp., for example, became an overnight Top 100 player (ranked 36) by acquiring Restaurant Associates concepts like Charlie Brown's, The Office, and Acapulco, as well as the Hungry Hunter/Mountain Jack's steakhouses

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the TOP 100

from Paragon Restaurant Corp. Still, few major acquisitions were made last year.

FAST FOOD RULES. Casual restaurants are no doubt showing gains nationally, but their impact on the Top 100 remains slight. Fact is, though some pundits are quick to write off fast food's momentum in favor of a casual boom, such predictions are grossly premature. The theory goes something like this: Baby boomers, now mature and sophisticated, will retreat from fast food in hordes.

**THE 10
LARGEST TOP 100
COMPANIES
CONTROL 29% OF
TOTAL INDUSTRY
SALES.**

They'll instead seek out the greater food quality, full service, value, and ambience of casual restaurants, both for themselves and their families.

However, though a growth trend in casual restaurants is under way, the gains to date have been from a relatively small base. And they've mainly been in the upscale category: Upscale restaurants had the most significant rate of real growth in the Top 100 in 1990—5.2% in sales, 10.9% in units—but from the relatively small base of roughly \$7 billion in sales and 3,200 units in 1989. (In the Top 100, casual restaurants are divided into midscale—family-style, family steak, and cafeterias—and upscale—fern

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Rank	Company	1990 U.S. Sales (\$000's)	% Change	U.S. Units Number	% Change	Unit Rank
Carlson continued						
	Country Kitchen	173,467	1.3%	240	-0.8%	
	Dalys	27,750	0.9%	11	-15.4%	
25	Morrison, Inc.	668,900	12.0%	349	14.4%	51
	Morrison's Cafeterias	365,000 *	-0.8%	171	-2.3%	
	Ruby Tuesday	226,100 *	36.2%	133	35.7%	
	L & N Seafood	63,800 *	20.8%	34	41.7%	
	Silver Spoon	14,000 *	37.3%	11	37.5%	
26	Marriott Corp.	660,580	-7.3%	509	-10.2%	34
	Travel Plazas	242,000 *	5.2%	101 *	0.0%	
	Big Boy	218,000 *	-0.9%	212	-4.5%	
	Wags	69,400 *	-35.7%	53	-32.9%	
	Allie's	37,700 *	-21.5%	24	-25.0%	
	Howard Johnson	27,400 *	-31.5%	48	-15.8%	
	Bickfords	26,000 *	4.4%	32	0.0%	
	Hot Shoppes/Cafeterias	19,800 *	4.2%	12	0.0%	
	Popeyes	11,400 *	-18.6%	16	-20.0%	
	Jolly Roger's	7,280 *	3.0%	7	0.0%	
	Farrell's	1,600 *	-17.9%	4	-20.0%	
27	Carl Karcher Enterprises, Inc.	575,000	4.5%	583	5.8%	28
	Carl's Jr.	575,000	4.5%	583	5.8%	
28	American Restaurant Group	511,869	1.9%	326	-2.4%	55
	Stuart Anderson	204,000 *	4.6%	85	0.0%	
	Grandy's	180,000	-0.6%	188	-3.6%	
	Velvet Turtle	45,000	2.3%	21	0.0%	
	Spectrum	42,869	1.1%	14	-6.7%	
	Spoons	40,000	0.0%	18	0.0%	
29	Vicorp Corp.	476,961	5.8%	398	1.3%	45
	Bakers Square	248,961	14.8%	170	6.9%	
	Village Inn Pancake House	228,000	-2.6%	228	-2.6%	
30	Chili's, Inc.	476,061	26.3%	236	18.0%	66
	Chili's	440,383	23.4%	223	16.1%	
	Regas Grill	32,673	49.6%	11	57.1%	
	Romano's Macaroni Grill	3,005	106.5%	2	100.0%	
31	Sonic Industries, Inc.	454,579	16.5%	1,043	4.7%	20
	Sonic Drive-Ins	454,579	16.5%	1,043	4.7%	
32	Investors Mgmt. Corp.	445,625	2.1%	474	-3.3%	35
	Golden Corral	440,000	2.1%	459	-3.4%	
	Church's Fried Chicken	5,625 *	2.3%	15 *	0.0%	
33	Western Sizzlin, Inc.	445,000	-5.5%	445	-8.8%	39

TOP 50 PUBLIC RESTAURANT COMPANIES

Rank by Revenue	Company	1990 Revenue (\$000's)	% Change From 1989	Income Before Taxes (\$000's)	% Change From 1989	Earnings Per Share 1990	% Change From 1989	Debt To Equity Ratio
1	McDonald's Corp.	6,639,300	9.0%	1,246,300	7.7%	\$2.20	12.8%	1.55
2	TW Holdings, Inc.	3,681,582	5.7%	(77,808)	N/M	-0.61	N/M	2.11
3	Wendy's International, Inc.	1,010,877	-5.5%	60,736	64.7%	0.41	28.1%	0.70
4	Shoney's Inc.	929,488	8.9%	46,956	44.8%	0.73	78.0%	N/M
5	Morrison Inc.	900,457	8.6%	35,438	-29.7%	1.33	-26.5%	0.79
6	Carl Karcher Enterprises, Inc.	521,805	2.1%	18,765	151.1%	0.72	140.0%	2.87
7	Sizzler International, Inc.	491,358	14.5%	42,027	-20.0%	0.02	N/M	0.55
8	Al Copeland Enterprises, Inc.	460,080	10.9%	(156,089)	N/M	N/A	N/M	N/M
9	Bob Evans Farms, Inc.	456,476	8.4%	44,046	-9.7%	0.87	-8.4%	0.19
10	TPI Enterprises, Inc.	397,194	13.5%	1,528	N/M	0.07	N/M	2.86
11	Vicorp Restaurants, Inc.	394,416	9.8%	14,132	54.8%	1.18	61.6%	1.30
12	Chili's Inc.	347,127	21.4%	27,412	32.2%	1.65	27.9%	0.49
13	Luby's Cafeterias, Inc.	311,325	9.9%	48,512	9.3%	1.17	8.3%	0.29
14	Piccadilly Cafeterias, Inc.	306,655	11.0%	18,890	11.3%	1.25	4.2%	0.90
15	GR Foods, Inc.	288,519	181.0%	(13,187)	N/M	(2.60)	N/M	2.60
16	National Pizza Co.	286,079	44.2%	23,271	2.8%	1.08	1.9%	1.36
17	Furr's/Bishop's Cafeterias, L.P.	284,383	-1.4%	4,333	-13.0%	0.46	53.3%	2.62
18	International Dairy Queen, Inc.	283,105	11.0%	43,823	12.9%	2.90	16.9%	0.94
19	Ryan's Family Steak Houses, Inc.	273,548	13.3%	38,296	11.9%	0.46	12.2%	0.35
20	Cruiser Barrel Old Country Store, Inc.	225,518	33.0%	24,063	42.2%	1.07	25.9%	0.45
21	Sbarro, Inc.	191,237	28.5%	33,858	41.3%	1.52	40.7%	0.42
22	Shewbix Pizza Time, Inc.	181,558	8.4%	13,899	393.4%	1.45	480.0%	0.88
23	Perkins Family Restaurants, L.P.	173,381	4.1%	13,471	15.5%	1.31	14.9%	0.80
24	Chart House Enterprises, Inc.	154,014	10.4%	10,645	41.6%	0.80	56.9%	1.39
25	TCBY Enterprises, Inc.	151,307	0.0%	30,455	-32.6%	0.75	-31.8%	0.30
26	Frisch's Restaurants, Inc.	146,842	-0.2%	5,006	50.8%	0.58	5.5%	0.69
27	Buffets, Inc.	146,088	25.9%	13,091	42.1%	0.83	40.7%	0.61
28	JB's Restaurants, Inc.	114,838	5.0%	4,195	18.0%	0.54	14.9%	1.06
29	Rax Restaurants, Inc.	108,457	-3.2%	(19,483)	N/M	-2.77	N/M	N/M
30	Consolidated Products, Inc.	106,844	7.0%	8,255	15.0%	1.18	13.5%	1.48
31	Famous Restaurants, Inc.	100,477	8.1%	(19,217)	N/M	-3.19	N/M	N/M
32	INOP Corp.	97,296	12.0%	5,512	30.1%	0.53	29.3%	5.27
33	Consul Restaurant Corp.	88,257	10.3%	247	280.0%	0.02	100.0%	1.44
34	Southwest Cafes, Inc.	85,271	4.8%	1,084	N/M	0.17	N/M	0.46
35	Pizza Inn, Inc.	77,607	-32.0%	(74,687)	N/M	-6.39	N/M	N/M
36	Pancho's Mexican Buffet, Inc.	71,304	8.1%	3,835	-17.2%	0.57	-9.5%	0.26
37	LDB Corp.	67,837	3.7%	(9,450)	N/M	-5.38	N/M	1.13
38	Rally's, Inc.	62,119	99.5%	6,420	165.0%	0.87	71.8%	0.42
39	WSMP Inc.	61,670	-0.3%	(3,515)	N/M	(1.07)	N/M	2.09
40	Au Bon Pain	57,049	18.3%	3,254	30.7%	0.3	30.4%	1.41
41	Uno Restaurant Corp.	54,691	34.6%	6,666	28.4%	0.48	20.0%	0.66
42	Del Taco Restaurants, Inc.	49,436	-3.7%	(990)	N/M	(0.08)	N/M	0.72
43	Family Restaurants of Florida, Inc.	48,115	5.1%	151	-91.1%	0.01	-90.0%	2.04
44	Morgan's Foods, Inc.	46,907	7.8%	375	-16.3%	0.04	0.0%	3.83
45	Sonic Corp.	44,758	36.3%	1,676	N/M	0.19	N/M	0.50
46	PoFolks, Inc.	44,754	N/M	977	N/M	0.13	62.5%	2.11
47	O'Charley's Inc.	43,176	50.6%	1,136	34.1%	0.26	-21.2%	0.26
48	Homestyle Buffet, Inc.	41,119	210.7%	1,794	-8.3%	0.21	-27.6%	0.21
49	Ark Restaurants Corp.	39,137	35.2%	1,570	226.2%	0.23	N/M	0.77
50	Benihana National Corp.	39,080	11.8%	1,282	-5.7%	0.2	-33.3%	1.51
TOTAL		21,183,928	9.4%	1,532,576	-2.8%	0.90	3.5%	2.03

N/M=Not Meaningful

the TOP 100

bars, grills, dinnerhouses, and ethnic specialty restaurants.)

In contrast, fast-food restaurants—81,328 of them included in the Top 100—dominate the group. Their combined \$54 billion in sales amounts to more than 70% of Top 100 sales. Though as a group, fast food grew in real terms by merely 1% in sales and 4.3% in units, the category still has immense “critical mass,” to borrow Technomic’s words. For example, McDonald’s modest 2% systemwide sales increase in 1990—actually, -2.6%

**MORE THAN 70%
OF TOP 100 SALES
ARE FROM FAST-FOOD
CHAINS, WHOSE
COMBINED SALES ARE
\$54 BILLION.**

in real terms—was still worth \$240 million to the chain. Similarly, Burger King’s gain of 3.4%—which really amounted to a -1.2% showing in real terms—brought in an additional \$175 million in systemwide sales.

“There will always be plenty of customers for [fast-food restaurants],” says Donovan Christopherson, sr. vice president of restaurant development for PepsiCo, whose 1990 restaurant sales totaled \$9.4 billion, second only to McDonald’s \$12.2 billion. Baby boomers, he says, will stay true to their fast-food tastes as they age. But it’s crucial for operators to offer good value and convenience for cash-strapped, time-pressed families

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Rank	Company	1990 U.S. Sales		U.S. Units		Unit Rank
		(\$000's)	% Change	Number	% Change	
34	Riese Organization	400,000	6.7%	346	3.0%	52
35	IHOP	352,000	7.5%	460	1.8%	36
	Intl. House of Pancakes	352,000	7.5%	460	1.8%	
36	Kyotaru America Corp.	351,266	N/M	230	N/M	68
	Hungry Hunter/Mtn. Jacks	112,357	12.8%	58	7.4%	
	Acapulco	72,539	6.0%	49	19.5%	
	RA Theme Restaurants	54,150	0.8%	14	0.0%	
	Charlie Brown/The Office	52,120	0.2%	33	0.0%	
	Arby's	37,000	270.0%	55	103.7%	
	Love's Bar-B-Q	23,100 *	5.0%	21	-4.5%	
37	Bob Evans Farms, Inc.	350,617	12.0%	249	7.3%	61
	Bob Evans Restaurants	350,617	12.0%	249	7.3%	
38	TCBY Enterprises, Inc.	332,259	12.7%	1,774	15.4%	14
	TCBY Yogurt	332,259 *	12.7%	1,774	15.4%	
39	Ryan's Family Steak Houses	330,562	11.9%	159	12.8%	79
	Ryan's Family Steak Houses	330,562	11.9%	159	12.8%	
40	Luby's Cafeterias, Inc.	320,000	9.6%	141	11.0%	84
	Luby's Cafeterias	320,000	9.6%	141	11.0%	
41	Whataburger, Inc.	319,000	6.0%	452	3.9%	37
	Whataburger Restaurants	319,000	6.0%	452	3.9%	
42	Round Table Pizza, Inc.	312,000	5.8%	560	3.7%	31
	Round Table Pizza	312,000	5.8%	560	3.7%	
43	Piccadilly Cafeterias, Inc.	306,050	3.1%	149	4.2%	83
	Piccadilly Cafeterias	280,000	4.1%	142	3.6%	
	Ralph & Kacoo's	26,050	-7.0%	7	16.7%	
44	Boddie-Noell Enterprises	302,321	4.6%	292	3.5%	58
	Hardee's	302,321	4.6%	292	3.5%	
45	Rax Restaurants, Inc.	300,542	-7.6%	388	-21.3%	47
	Rax Restaurants	299,372	-7.8%	385	-21.4%	
	Zoomz	1,170 *	105.6%	3	0.0%	
46	ShowBiz Pizza Time, Inc.	296,585	5.9%	285	4.0%	59
	Showbiz/Chuck E. Cheese	281,534	7.2%	258	4.0%	
	Monterey Tex-Mex Cafe	15,051	-13.4%	27	3.8%	
47	Waffle House, Inc.	296,000	5.7%	705	2.9%	23
	Waffle House	296,000 *	5.7%	705 *	2.9%	
48	Chick-fil-A, Inc.	293,695	11.3%	441	7.3%	40
	Chick-fil-A	293,695	11.3%	441	7.3%	

the TOP 100

raising children—something most fast feeders are naturally addressing.

DIMINISHING RETURNS. There may always be fast-food customers around, but that doesn't mean there will always be room for more fast-food restaurants. As restaurant companies experience diminishing returns in the fast-food segment they'll likely turn their attention to the midscale and upscale markets. By the end of the decade we could see the displacement of independents by chains in the casual segments to be well underway.

**ONLY EIGHT
COMPANIES GARNERED
SALES INCREASES
OF 20% OR GREATER;
15 EXPERIENCED
DECLINES.**

There are signs that major chains are in fact eying further control over the casual segment. Part of Brinker International's rationale for its three-concept portfolio (Chili's, Regas Grill, Romano's Macaroni Grill) is the lack of chain penetration, hence competition, in casual dining. Ranked at No. 30 in the Top 100, Brinker (then known as Chili's Inc.) garnered \$476 million in sales, a 23% increase over 1989.

Moreover, the nation's two biggest restaurant companies, both specialists in fast food, have made noticeable albeit cautious forays into casual territory. The Pizza Hut Cafe, a traditional Pizza Hut unit recast as an Italian country restaurant with

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Rank	Company	1990 U.S. Sales (\$000's)	% Change	U.S. Units Number	% Change	Unit Rank
49	White Castle System, Inc. White Castle	291,277 291,277	4.6% 4.6%	249 249	2.0% 2.0%	62
50	Gilbert/Robinson, Inc. Houlihan's Darryl's Seafood Restaurants Charlie's Place	290,566 178,589 77,546 21,216 13,215	6.1% 4.6% 12.5% -2.9% 7.5%	123 81 30 6 6	10.8% 12.5% 11.1% 0.0% 0.0%	89
51	Furr's/Bishop's Cafeterias, L.P. Furr's/Bishop's Cafeterias	284,000 284,000	-1.4% -1.4%	153 153	-1.3% -1.3%	82
52	GR Foods, Inc. Ground Round	283,252 283,252	6.7% 6.7%	199 199	2.6% 2.6%	70
53	National Pizza Co. Pizza Hut Skippers	275,750 190,000 85,750	10.1% 17.3% -3.0%	576 385 211	4.7% 4.3% 5.5%	30
54	Wilshire Restaurant Group, Inc. Marie Callender Pie Shops	265,000 265,000	6.0% 6.0%	161 161	3.2% 3.2%	77
55	Cracker Barrel Old Country Store Cracker Barrel	257,971 257,971	35.6% 35.6%	97 97	22.8% 22.8%	93
56	TPI Restaurants, Inc. Shoney's Captain D's Hungry Fisherman Denver's	252,619 198,667 40,748 10,828 2,376	4.4% 5.4% 8.7% -7.7% -42.5%	242 168 64 7 3	-1.6% -2.3% 1.6% 0.0% -25.0%	63
57	Sbarro, Inc. Sbarro	250,000 250,000	27.2% 27.2%	426 426	19.7% 19.7%	41
58	RTM, Inc. Arby's Mrs. Winner's	240,000 170,000 70,000	6.2% 17.2% -13.6%	376 260 116	7.4% 13.0% -3.3%	49
59	Godfather's Pizza, Inc. Godfather's Pizza	229,000 229,000	1.8% 1.8%	512 512	1.6% 1.6%	33
60	Applebee's International, Inc. Applebee's Neighborhood Grill & Bar	228,200 228,200 *	54.5% 54.5%	160 160	41.6% 41.6%	78
61	AWR II Del Taco/Naugles	215,000 215,000 *	7.5% 7.5%	340 340	-2.9% -2.9%	53

the TOP 100

appetizers, pastas, and avant-garde pizzas, is "at minimum a laboratory for new products and services, at optimum a prototype," says Pizza Hut CEO Steve Reinemund. For its part, McDonald's Golden Arch Cafe drew predictably curious attention when it was unveiled, though the company denied it had expansion plans for the concept. In fact, McDonald's executives called Golden Arch a proving ground for the company's long-awaited dinner menu and a test of less-expensive construction.

With much of fast food experiencing an identity crisis—one need only look at a menu board to discover this—it seems fitting that some companies revamp their pricing and return to fast food's simpler roots. Top 100 chains did so in unprecedented fashion in 1990, a year in which one in five fast-food purchases involved a price-off deal.

PepsiCo's Taco Bell gets most of the credit for permanently rolling back prices on selected menu items. Its three-tier "value menu" of 59¢, 79¢, and 99¢ items had a lot to do with the chain's 20% sales increase last year, to \$2.4 billion. McDonald's is atoning for past sins with the value menu religion as well; its "here today, here tomorrow" 59¢ hamburgers and breakfast biscuits is proof of that. (In the '80s, McDonald's and others repeatedly raised prices above the consumer price index.)

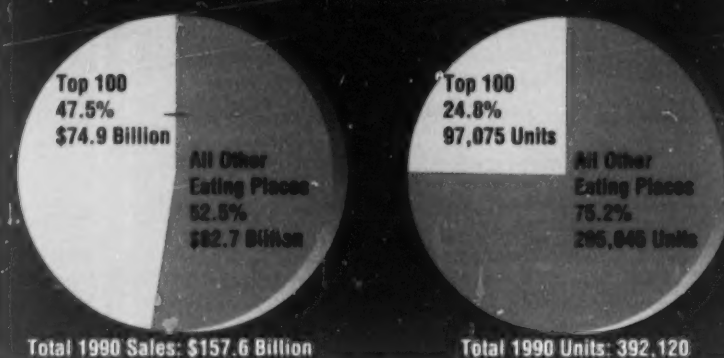
Moreover, a Super Value menu has helped Wendy's International (No. 5 in the Top 100 with \$2.8 billion in sales) explode its image as a good but pricey hamburger chain, thus building traffic.

continued on page 136

Rank	Company	1990 U.S. Sales (\$000's)	% Change	U.S. Units Number	% Change	Unit Rank
62	Frisch's Restaurants, Inc.	213,170	3.3%	183	-2.1%	74
	Big Boy	205,870 *	5.4%	173	1.2%	
	Hardee's/Roy Rogers	4,000 *	-36.6%	8	-38.5%	
	Prime 'n Wine	3,300 *	-31.3%	2	-33.3%	
63	Unigate PLC	205,910	11.8%	198	2.6%	71
	Black-Eyed Pea/Dixie House	124,400	17.4%	79	6.8%	
	Taco Bueno	60,600	7.2%	110	0.0%	
	Casa Bonita	14,997	-2.6%	4	0.0%	
	Crystal	5,913	-3.2%	5	0.0%	
64	Rally's, Inc.	203,043	53.1%	297	54.7%	56
	Rally's	203,043	53.1%	297	54.7%	
65	Krystal Company	199,000	5.9%	235	2.2%	67
	Krystal Kwik	199,000	5.9%	235	2.2%	
66	Roma Corp.	198,000	9.4%	116	12.6%	91
	Tony Roma's	198,000	9.4%	116	12.6%	
67	Wyatt Cafeterias, Inc.	194,000	1.0%	126	4.1%	88
68	Braum Ice Cream Co.	184,600	7.3%	236	4.9%	65
	Braum Ice Cream Stores	184,600 *	7.3%	236	4.9%	
69	Taubman Investment Co., Inc.	175,415	11.1%	679	12.8%	25
	A & W Restaurants	175,415	11.1%	679	12.8%	
70	Pizza Inn, Inc.	170,000	-20.9%	420	-10.3%	42

THE BIG GET BIGGER

The Top 100 companies garner nearly half of restaurant sales, but have only one quarter of all units.



the TOP 100

Also deserving credit is No. 12-ranked, \$1.4 billion Little Caesars, pioneer of the two-for-one pizza gimmick, now standard in the discount-crazy pizza segment, where discounts are involved in 46% of transactions.

With menu prices—and profits—declining, chain executives are working to simplify operations and build lower-overhead units. Deep discounters make money with low-priced menus by attracting large volumes of customers, all the while

**MCDONALD'S,
PEPSICO, AND GRAND
MET ACCOUNT
FOR NEARLY 20% OF
RESTAURANT SALES
NATIONALLY.**

increasing the efficiency of their stores and reducing overhead. For its part, McDonald's is trimming some \$200,000 from the cost of a new store by doing such things as using more glass and less brick, and it has installed clamshell grills that cook hamburgers faster.

One of the fastest-growing chains in the Top 100 group, Taco Bell gets a decent return on its 59¢ tacos because it is exiting the food "manufacturing" business and focusing on retailing food to customers. By using off-site preparation of taco ingredients and a smaller, simpler menu, it has shrunk its kitchen to 30% of store space from 70%. Taco Bell has other efficiency-

continued on page 138

Rank	Company	1990 U.S. Sales (\$000's) % Change		U.S. Units Number % Change		Unit Rank
71	Harman Management Corp. Kentucky Fried Chicken	168,050	0.6%	241	1.3%	64
		168,050 *	0.6%	241	1.3%	
72	Investcorp Carvel Ice Cream	163,000	-6.9%	645	-4.3%	26
		163,000	-6.9%	645	-4.3%	
73	Po Folks, Inc. Po Folks	162,000	2.3%	135	2.3%	86
		162,000	2.3%	135	2.3%	
74	Carrols Corp. Burger King	162,000	6.6%	165	1.9%	75
		162,000 *	6.6%	165 *	1.9%	
75	Specialty Restaurants Corp. 94th Squadron/Baby Doe's/Etc.	160,792	-7.0%	74	-2.6%	98
		160,792	-7.0%	74	-2.6%	
76	WSMP, Inc. Western Steer Prime Sirloin WSMP Specialty Rest.	158,997	-10.8%	156	-12.8%	80
		142,400	-11.4%	145	-12.1%	
		15,967	1.2%	10	0.0%	
		630	-64.6%	1	-75.0%	
77	Brown Derby, Inc. Brown Derby Restaurants	156,600	0.4%	54	1.9%	100
		156,600 *	0.4%	54 *	1.9%	
78	Chart House Enterprises The Chart House Paradise Bakery	152,585	9.3%	100	16.3%	92
		141,783	7.8%	65	8.3%	
		10,802	33.6%	35	34.6%	
79	Daka, Inc. Fuddrucker's	152,000	11.8%	116	13.7%	90
		152,000	11.8%	116	13.7%	
80	RPM Pizza, Inc. Domino's	151,600	20.3%	370	39.6%	50
		151,600	20.3%	370	39.6%	
81	MF Holdings, Inc. Mrs. Fields La Petite Boulangerie	150,700	3.9%	636	2.1%	27
		120,000 *	8.1%	530	2.5%	
		30,700 *	-9.7%	106	0.0%	
82	Skylark Co., Ltd. Red Robin	146,000	17.7%	68	19.3%	99
		146,000	17.7%	68	19.3%	
83	Buffets, Inc. Old Country Buffet	145,236	25.9%	94	22.1%	94
		145,236	25.9%	94	22.1%	
84	Mazzio's Corp. Mazzio's Restaurants	143,000	3.6%	278	-0.7%	60
		143,000 *	3.6%	278 *	-0.7%	
85	LDB Corp. Mr. Gatti's	142,600	3.3%	297	-1.7%	57
		142,600 *	3.3%	297	-1.7%	
86	Winchell's Donut Houses, L.P. Winchell's Donut Houses	140,000	-2.1%	580	-8.4%	29
		140,000 *	-2.1%	580 *	-8.4%	

the TOP 100

minded tricks in test such as a robot taco maker that turns out 900 tacos per hour and touch-screen ordering, both of which cut down on labor while speeding up service. Streamlined units and other "points of distribution" will fuel company growth.

A number of the Top 100 companies have grown quickly in units with specialized limited-menu concepts that are relatively simple to operate, inexpensive to build, and compact enough for smaller sites. For example, Subway Sandwiches & Salads (owned

**NINETEEN OF
THE 25 LARGEST
COMPANIES OPERATE
MORE THAN ONE
CONCEPT.**

by the No. 15-ranked Doctors Associates) led the pack last year in unit growth by adding 913 stores. Top 100 players with similarly narrow menus include Little Caesars (473 new units), TCBY (237), Domino's (172), and Dunkin' Donuts (115).

Downscaling the unit is another way Top 100 players are paring down costs and making value-priced concepts profitable. In fact, the drive-thru-only concept is creeping into the Top 100 at the highest levels, beginning with limited tests by McDonald's and Burger King. The biggest stir was caused by Taco Bell's purchase of Kalamazoo, MI-based Hot 'n Now, a drive-thru featuring 39¢ hamburgers.

continued on page 142

Rank	Company	1990 U.S. Sales (\$000's)	% Change	U.S. Units Number	% Change	Unit Rank
87	Papa Gino's, Inc.	138,600	0.9%	217	-0.5%	69
	Papa Gino's	138,600	0.9%	217	-0.5%	
88	Taco John's International	133,000	6.0%	445	0.0%	38
	Taco John's	133,000	6.0%	445	0.0%	
89	Astor Restaurant Group	131,375	8.3%	399	20.5%	44
	Blimpie	130,000	8.3%	398	20.6%	
	Border Cafe	1,375 *	5.8%	1	0.0%	
90	Galardi Group	130,126	0.0%	339	0.3%	54
	Wienerschnitzel/Hamburger Stand	130,126	0.0%	339	0.3%	
91	Inno-Pacific Holdings	130,000	-0.8%	194	-7.6%	72
	Shakey's Pizza Parlors	130,000	-0.8%	194	-7.6%	
92	De Novo Corp.	128,200	-1.4%	396	-4.6%	46
	Taste Freez	120,200	-1.5%	349	-5.2%	
	B-K Root Beer	8,000 *	0.0%	47	0.0%	
93	Kettle Restaurants	127,700	3.2%	184	-2.1%	73
	Kettle Restaurants	127,700	3.2%	184	-2.1%	
94	Grace, W.R. & Co.	122,000	8.9%	164	1.9%	76
	Taco Villa/Del Taco	87,000 *	6.1%	147	-0.7%	
	The American Cafe	33,000 *	15.0%	15	25.0%	
	The American Cafe Express	2,000 *	53.8%	2	100.0%	
95	BJ Acquisition Corp.	121,021	N/M	154	N/M	81
	Bojangles Restaurants	121,021	2.4%	154	0.7%	
96	LR Holdings, Inc.	120,800	10.5%	74	7.2%	97
	Lyons Restaurants	120,800	10.5%	74	7.2%	
97	Uno Restaurant Corp.	120,244	38.7%	86	36.5%	96
	Pizzeria Uno Restaurant & Bar	120,244	38.7%	86	36.5%	
98	Consolidated Products	119,443	8.1%	135	6.3%	85
	Steak 'n Shake	99,942	9.0%	119	6.3%	
	Consolidated Specialty Rest.	19,501	3.7%	16	6.7%	
99	JB's Restaurants, Inc.	117,876	6.9%	134	11.7%	87
	JB's Restaurants	117,876	6.9%	134	11.7%	
100	Southwest Cafes, Inc.	113,768	1.9%	91	-9.0%	95
	El Chico	106,166	0.6%	86	-10.4%	
	Cantina Laredo	3,202 *	69.8%	2	100.0%	
	Casa Rosa	1,600	4.4%	1	0.0%	
	Cuellar's Cafe	1,600	4.4%	1	0.0%	
	Lupita's	1,200	5.9%	1	0.0%	

The Best (and Worst) of Times

1990's biggest winners and losers ranked by percent change in nominal sales.

TOP 10 GAINERS

	1990 U.S. Sales (\$000's)	% Change From 1989
1 Applebee's Int'l, Inc.	\$228,200	54.5%
2 Rally's, Inc.	203,043	53.1%
3 Doctors Associates, Inc.	1,123,000	39.9%
4 Uno Restaurant Corp.	120,244	38.7%
5 Cracker Barrel Old Country Store	257,971	35.6%
6 Sbarro, Inc.	250,000	27.2%
7 Chili's, Inc.	476,061	26.3%
8 Buffets, Inc.	145,236	25.9%
9 Little Caesar Enterprises, Inc.	1,400,000	23.9%
10 RPM Pizza, Inc.	151,600	20.3%

TOP 10 LOSERS

	1990 U.S. Sales (\$000's)	% Change From 1989
1 Pizza Inn, Inc.	\$170,000	-20.9%
2 WSMP, Inc.	158,997	-10.8%
3 Rax Restaurants, Inc.	300,542	-7.6%
4 Marriott Corp.	660,580	-7.3%
5 Specialty Restaurants Corp.	160,792	-7.0%
6 Investcorp	163,000	-6.9%
7 Metromedia	1,097,000	-6.0%
8 Western Sizzlin, Inc.	445,000	-5.5%
9 Winchell's Donut Houses, L.P.	140,000	-2.1%
10 Furr's/Bishop's Cafeterias, L.P.	284,000	-1.4%

Observers wonder if this is PepsiCo's toehold in the burger segment or a learning exercise in the drive-thru format. Rally's Inc., ranked No. 64, a 297-unit drive-thru-only concept, showed a 53.1% sales gain, the Top 100's second best gain for the year. No. 65-ranked Krystal Company last year announced a franchising program to grow its 11 Krystal Kwik burger drive-thrus.

No matter how you slice it, PepsiCo comes out a big winner in this year's Top 100. On a dollar basis, the company added \$1.1 billion in sales last year for a total of \$9.4 billion, a 13.7% gain. Imasco, Ltd. is the runner up in dollar sales gain with a \$460 million increase derived from buying Roy Rogers from Marriott Corp. The big winner in systemwide sales on a percentage

basis is Applebee's International, which showed a 54.5% increase in 1990. Applebee's and Rally's are the percentage leaders in U.S. unit growth, with increases of 41.6% and 54.7% respectively. RPM Pizza Inc., a Domino's franchisee, is third in unit growth percentage, at 39.6%.

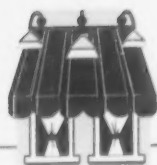
Only eight Top 100 companies garnered sales increases of 20% or greater in 1990 (excluding Kyotaru and BJ Acquisitions, neither of which was a player in 1989). In all, 15 companies experienced declines in systemwide sales. The biggest loser on a percentage basis was Pizza Inn. Ranked at No. 70, Pizza Inn's sales declined by 20.9%, to \$170 million.

GONE PUBLIC. The Top 50 public restaurant companies listing (see page 121) adds a new wrinkle to this

year's Top 100 report. You won't see the likes of PepsiCo or General Mills here, however, as the Top 50 includes only those companies where more than half of total revenues come from restaurants. (Total revenues—not just those from restaurants—are listed in the chart, however.)

Combined, revenues for the Top 50 public companies grew 9.4% nominally last year, to \$21.2 billion. Earnings, however, didn't fare quite so well. In 1990, the Top 50 as a group totaled \$1.5 billion in before-tax income, down 2.8% from 1989. Earnings per share for the group averaged out at 90¢, up 3.5% from the year earlier. Much like the Top 100, last year was a mixed bag for the publicly traded restaurant group as well.

RB



CASUAL THEME

MARKET SEGMENT REPORT

Born in the swinging '70s with eclectic wild decor and a heavy bar scene, the casual-theme segment has grown up with its targeted customer base and matured nearly beyond definition. But the segment continues to be as vital and innovative as it was two decades ago. Some of the pioneering chains still survive and even thrive, and new concepts are entering the competition.

"The fact that some prominent chains such as Applebee's weren't even around five years ago shows there's definitely a demand," says Ron Paul of Technomic, a Chicago-based consulting firm.

At a time when expansion for many chains has slowed or stopped, some companies in this segment are growing rapidly. Besides opening new units, they are showing healthy increases in per-store averages.

Fifteen years ago, the segment was well-defined. Restaurant chains such as Bennigan's, TGI Friday's, and Houlihan's offered broad, reasonably priced but trendy menus and plenty of booze. Today, the segment

is not so well-defined. The borders have blurred as baby boomers have matured and produced families, and as the broad category of "casual dining"—a cut above fast food, but not as pricey as fine dining—has emerged as the place to be today.

TRAFFIC UP. In fact, CREST statistics generated by NPD Research, a Park Ridge, IL-based consulting firm, show that customer traffic at casual-dining restaurants was up 5% in 1990, compared to an increase of only 2.4% in customer traffic at fast-food units. Customer traffic was down 6% at fine-dining restaurants.

"Everybody wants to be in the casual-dining segment today," says Ken Hill, president of Kansas City, MO-based Applebee's. "Nobody wants to be a dinnerhouse anymore."

There's a lot of cross-
continued on page 156

Customer traffic

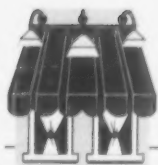
counts were

up 5% in 1990.

By Jacque Kochak

O'Charley's broad menu includes 11 burgers, prime rib, salads, sandwiches, pasta, and Cajun catfish. Average dinner check is \$11.





CASUAL THEME

MARKET SEGMENT REPORT

fertilization from other midprice segments going on, which contributes to the difficulty in defining a "casual-theme restaurant." During interviews with executives, they were likely to talk about General Mills' Italian-themed Olive Garden restaurants or Boston-based Bertucci's, which serves pizza from wood-burning ovens, as their competition in the segment.

"We're seeing real success with ethnic themes," notes Technomic's Paul. "That may signal a need for more identity among casual-theme restaurants."

One thing is clear; the old emphasis on liquor sales is pretty much a thing of the past. Today, a large bar in the center of a unit may even be a liability.

Those baby boomers in the big bubble moving through the population now are married and have children," says Ron McDougall, president and COO of segment leader Chili's, part of Dallas-based Brinker International. "Those big bars in the middle of the room can be a problem if you're dining with kids."

A FAMILY AFFAIR. In fact, those families with children have become a real

factor to consider in many ways for casual-theme dining restaurants.

More babies were born last year than in any year since 1964, says Judy Kelly, vice president of marketing for Braintree, MA-based Ground Round Inc. "It doesn't take a brain surgeon to figure out that marketing to families is important," she adds.

People in the 25- to 49-year-old age group spend 44% of their food budget away from home, according to the Bureau of Labor Statistics, says Kelly. "Of those in that age group who have kids, three out of four times they bring the kids along. That's very important."

Therefore, the emphasis at casual-theme restaurants now is clearly on good food, served at a reasonable price. That price/value perception is everything today.

Like Chili's and Applebee's, Mobile, AL-based Ruby Tuesday emphasizes value. "People look for quality, but they limit what they will spend," says Ron McConnell, the company's regional marketing director. "The economy is still very sluggish, and people are not eating out as much. When they do eat out, they want a good value."

The segment has blurred almost beyond definition.

EPITOME. The Chili's concept really epitomizes casual-theme dining today, with its broad menu, average check of \$7.80, and comfortable decor. The restaurants evoke the Southwest, but are not heavily themed.

Brinker International, with 246 Chili's, four Romano's Macaroni Grills, and 14 Regas Grills, has posted its eighth consecutive year of sales gains. Systemwide sales for 1990 reached \$530 million. Average unit volume for Chili's has risen from \$1.6 million to more than \$2.1 million since 1983.

Chili's executives want to double the size of the chain by 1995, and reach \$1 billion in sales. Because they anticipate a ceiling of 400 to 450 Chili's units, added emphasis is being placed on its two new concepts.

Both are more upscale than Chili's, and they exemplify the problems inherent in trying to define casual-theme restaurants. Romano's Macaroni Grill is Italian-themed, with pizza from a wood-burning oven, roast chicken from a rotisserie, and Italian specialties prepared at an exhibition grill.

Regas Grill, on the other hand, is casual dining with an aura of elegance. Still, the prices on the menu aren't upscale; grilled Norwegian salmon is \$13.95, and the average check is \$10.50.

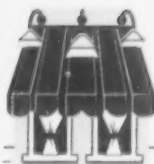
Chili's Grill & Bar is more typical of the classic casual-theme restaurant today. The main appeal is menu variety. "You can bottom-fish the menu for something lower-priced, or go higher," says McDougall.

"We've had the same customer for years, but he is changing," McDougall notes. "For one thing, he has a family now. That age wave moving out is dictating a lot of other trends."

continued on page 160



Ground Round targets kids and families as customers.



CASUAL THEME

MARKET SEGMENT REPORT

Applebee's, with 183 units nationwide and systemwide sales of \$235 million, appeals to the same customer as Chili's with the same kind of casual atmosphere and reasonably priced menu.

Like Chili's, Applebee's continues to expand rapidly, with nearly 40 units opened this year. Forty to 60 units will open yearly, depending on the availability of franchise capital, says Hill, who came to Applebee's last year from Kansas City, MO-based Creative Restaurant Management (CRM), another group of casual-theme restaurants.

CRM originally was part of Kansas City's Gilbert/Robinson Inc. (G/R), which operates Houlihan's. In the past Hill also was G/R's president. After leaving G/R and before joining CRM, Hill served as president of Kansas City-based T.J. Cinnamons, a bakery chain. Hill says that part of the reason why Applebee's has been able to expand so rapidly while some of the other chains have slowed expansion is that the cost of opening a Friday's or a Houlihan's has risen substantially over the years. "We're a little smaller, and fit just a little different niche," Hill says.

Applebee's began as a franchisee of the now-defunct Creative Food 'N Fun division of W.R. Grace & Co. The franchisee acquired the chain from Grace in 1988; since then, unit volumes have risen from an average of \$1.3 million to \$1.7 million in recent months, says Hill.

Similar to Chili's and Applebee's, and also growing very rapidly, is



Chili's Grill & Bar is typical of the casual-theme restaurant today.

Morrison Inc.'s casual-dining concept, Ruby Tuesday. Morrison's, which operates cafeterias, bought 16 Ruby Tuesday units in 1982 from founder Sandy Beall, who opened the first unit in 1972.

The chain now operates 140 units, all of them company-owned, with sales of close to \$250 million. Average unit volume is \$1.8 million, says McConnell.

Restaurants are located along the Atlantic coast from Florida to New York State and Connecticut. At least 25 new stores will open in the next year, most in new territories.

Morrison's is aggressively expanding its Ruby Tuesday subsidiary for several reasons. "We feel we get a very good return on investment," says McConnell. "The overall cost to build is very advantageous. The concept performs very well."

Ruby Tuesday is adaptable enough to go into small cities such as Valdosta, GA, and Panama City, FL, as well as large metro areas. The restaurants feature tile floors, glass accents and Tiffany lamps. Preferred sites are shopping malls.

The menu is broad, including fajitas, strip steaks, and barbecued ribs. A large salad bar is available. Average check is about \$8.

That search for value by the customer gives direction to Ruby Tuesday's advertising, says McConnell. "We can't afford to invest too heavily in brand-awareness advertising," he says. "We have to give the customer a good reason to come here, and that is usually tied to price."

The casual-theme classics—TGI Friday's, Houlihan's, and Bennigan's—continue to thrive and attract a mass market, but some observers say that they don't have the kind of expansion appeal they once had, partly because their names and images are associated with heavy liquor sales.

Executives at Dallas-based TGI Friday's might dispute that analysis, however. According to president and chief executive officer Dick Rivera, the company began an aggressive expansion plan in 1988. In 1987, the company opened two Friday's. However, in 1991, 23 stores were slated to open, including five in foreign countries.

Friday's plans to have 100 foreign locations by 1997. Ten units are already open in England, where the Covent Garden restaurant is the highest-grossing restaurant in all of England, and the highest-volume Friday's.

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CUSTOMER TRAFFIC

% change 1990

Favorable traffic may be fueling segment expansion.



5%
Casual dining

-6% Fine dining

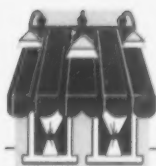


2.4% Fast food



2.4% Fast food

SOURCE: CREST, NPD Research



CASUAL THEME

MARKET SEGMENT REPORT

Friday's success with the United Kingdom franchisee caused executives to be open to suggestion when they were approached by a Taiwanese businessman, who entered into a joint venture with Friday's to open 18 restaurants in Taiwan, Hong Kong, and China. Business arrangements are also in place to expand in Mexico, Korea, and Spain, and the company hopes to eventually expand in Europe, Southeast Asia, and Japan.

Friday's is also continuing U.S. expansion. The company now has more than 170 restaurants in 36 states. Rivera notes that Friday's customer has changed over the years, and for that reason Friday's has changed its expansion strategy. "People used to drive 20 minutes to get to a Friday's, then wait in line for 20 minutes or more to get a table," he says. "Today, most people don't have the time or the inclination to do either. So we are making Friday's more convenient. We are committed, for instance, to opening five additional restaurants in the Dallas/Fort Worth area over the next three years."

The average TGI Friday's unit achieves annual sales of \$3.5 million, with the concept's appeal based on a broad, moderately priced menu that appeals to families and singles alike.

The company has just introduced a new menu design that features turn-of-the-century characters in hand-tinted illustrations rather than photography as in past menus. New on the menu is the "Friday's Lite" section, a selection of low-fat, low-calorie items including a fresh vegetable baguette, Pacific Coast chicken, and an all-vegetable version of the Cobb salad. Also featured is the "Gardenburger," a char-grilled patty of assorted whole grains, nuts, and mushrooms. Nutritional information about Friday's

Lite items is furnished upon request.

Executives at Bennigan's, owned by Dallas-based S&A Restaurant Corp., are reluctant to talk to the press. Competitors, however, say that Bennigan's restaurants appear to be doing well.

Bennigan's 1990 system sales are estimated at \$535 million, with 225 units garnering average unit volumes of \$2.4 million.

Gilbert/Robinson, which operates 105 Houlihan's and Darryl's across the country, slowed expansion after being in technical default on the balance of a \$107 million loan earlier this year. The company is no longer in default, says president Fred Hipp.

Hipp earlier blamed the company's cash-flow problems on a "recessionary downturn." At that time, comparable unit sales were down 0.6% from the previous year, or basically flat. He said he expects real gains in fourth-quarter results this year. "I think we've done a pretty good job of maintaining market share," Hipp notes.

Expansion is still on hold as G/R puts substantial capital into refurbishing existing restaurants. Many units have gotten all new interiors, with changes being primarily cosmetic. In addition, 32 restaurants, mainly Houlihan's, have

Some segment

pioneers survive

and even thrive.

undergone major remodeling as walls have been removed and bar seating has been converted into restaurant seating. As bars are minimized, units gain 25%-30% in dining-room seating.

In addition, Houlihan's has a new menu. Two new healthy items are prepared without oils or fats. One is a chicken and pasta dish with fresh vegetables, and the other is sesame tuna with pesto linguine. New to the dessert line is a frozen yogurt pie in a chocolate crumb crust.

G/R's 31 Darryl's units were to get a new menu in mid-October, with some 10 new entrees that are lower in fat.

CHANGING CUSTOMER. To cope with the changing customer, almost all casual-theme dining restaurants today offer children's menus, and many also offer crayons or balloons to keep the kids entertained. Ground Round has gone even further to market to families.



Applebee's Caesar salad with chicken is one of several main dish salads.

At a Ground Round, children are entertained by continuously running cartoons in the dining room. When a family is seated, popcorn is brought to the table immediately because, says Kelly, "Kids are taught that when they get to the table, they eat. The hardest thing for them to do is wait."

"We held 12 focus groups in six cities, and found out that parents have a very well-defined idea of a restaurant that appeals to a family," says vice president of marketing Kelly. "They know whether a restaurant tolerates children or caters to them. They say they know whether a restaurant is accommodating by whether the server speaks to the children, so training is important."

All Ground Round units have two rooms—a dining area and lounge. That way, singles or couples can dine away from families. "We call this no-compromise dining," says Kelly. "Kids can relax, and it's not at the expense of the parents. And grown-ups can have fun, and it's not at the expense of the kids."

Ground Round operates 201 restaurants in 22 states. A total of 154 are company-owned, while two are managed and 45 are franchised. Average unit volume for company-owned units is \$1.4 million and \$1.7 million for franchised units.

Ground Round recently went public, and according to president Michael

O'Donnell the company is now positioned for aggressive growth nationally.

"Becoming a publicly held, publicly traded company marks the first time since the company's inception that we are a stand-alone entity," says O'Donnell. "The profit that we generate can now be reinvested in the business, seeding our future growth so that we may more fully reach our potential."

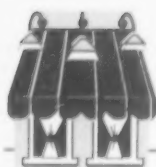
FAST-GROWING. Several fast-growing young chains are firmly rooted in casual-theme dining traditions. Among them is Columbus, OH-based Cooker Restaurant Corp., with 12 restaurants located in the Midwest.

Founded in Nashville, Cooker
continued on page 166

Real Cheese Can Make Your Menu Over...

For information circle number 15





CASUAL THEME

MARKET SEGMENT REPORT

Restaurant Corp. was bought in 1984 by Arthur Seelbinder, who as CEO, moved headquarters to Columbus. The company went public in 1986; expansion plans call for growing 25% over the number of base units each year.

The Cooker Bar & Grill has a down-home atmosphere with a menu that includes meat loaf, pot roast, and smokehouse ribs as well as prime rib. A specialty is lime chicken, marinated in a fresh lime, garlic, white wine, and honey marinade, then grilled. Twelve vegetables are offered, and turnip greens and okra are available in some markets.

At the Cooker Bar & Grill, everything is made from scratch, from soups and sauces to salad dressings.

Prices range from \$6.50 to \$12.95, with an average check of \$8.75. Annual unit volumes average \$3.2 million.

Units are mostly freestanding, with about 230 seats in 7,500-sq.-ft. Cooker Bar & Grill avoids the paraphernalia that used to distinguish casual-theme restaurants. The atmosphere is not as

downhome as the food, however.

Another publicly held company attracting attention in the casual-theme dining segment is Tampa, FL-based Outback Steakhouse Inc., with 38 restaurants in Florida, Texas, North Carolina, Kentucky, Indiana, and Washington, DC. Four units are franchised, and 15 are operated as joint ventures.

Expansion plans call for opening 25 to 30 units next year, says president Chris Sullivan. The company made its first public stock offering this summer to help finance expansion.

Outback Steakhouse was formed by several veterans of other casual-theme chains. In 1983 Chris Sullivan,

The customers

have matured; so

have the chains.

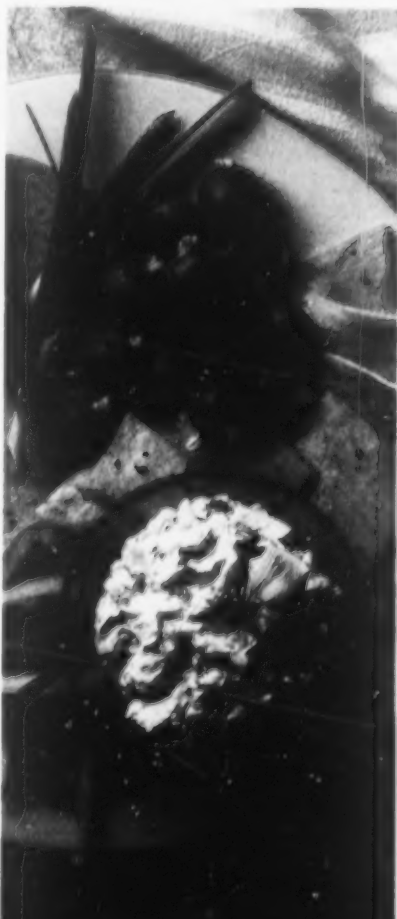


And Over...

Chicken Dijon with Tarragon Sauce

If your customers are bored with an ordinary chicken breast, dress it up with the great taste of cheese. We gave our chicken breast a fresh new look and taste by topping it with thinly sliced ham, American and Parmesan cheeses, fresh spices, Dijon-mustard, and a light tarragon sauce. Bring more value to an ordinary chicken breast with the great taste of cheese.

For information
circle number 15



And Over...

Spinach Artichoke Dip

To give your chips and vegetables something unexpected to dip into, forget the standard dill or onion dip and serve this Spinach Artichoke Dip instead. We've blended artichokes, Cheddar, Mozzarella and Parmesan cheeses with chopped spinach in a sour cream base, and surrounded this delicious dip with pita chips and vegetables. Boost your check averages with this easy-to-sell appetizer!



Ruby Tuesday's mall locations attract shoppers.

Bob Basham, and Trudy Cooper formed Sunstate Restaurant Corp., a Chili's franchisee and joint venture partner in Florida and Georgia. The company was merged with Chili's Inc. in 1987. Sullivan has also served as executive vice president of Bennigan's, and Basham was Bennigan's vice president of operations. Cooper was training coordinator for Bennigan's. A fourth partner, Tim Gannon, developed

Copeland's restaurants for Al Copeland Enterprises.

Outback Steakhouse is another example of the blurring of the casual-theme segment. While nominally a steakhouse, Outback clearly draws on casual-theme traditions and formulas for success. In this case, the theme is Australia, The Land Down Under. The menu is divided into "Aussie-Tizers," "Entrees—Land Rovers," and "Down Under Favorites." Appetizer and entree descriptions are colorful. For example, Jackeroo Chops are center-cut pork chops served with cinnamon apples and potatoes.

Out of 14 entrees offered are a 12-oz. *continued on page 168*

And Over...

Cheesy Eggs 'N Toast

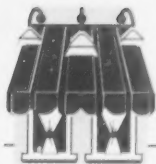
For a better profit opportunity, try our Cheesy Eggs 'N Toast instead of ordinary scrambled eggs and toast. Just add shredded Cheddar, American and Mozzarella cheeses, diced ham, and green chiles to scrambled eggs. Melt cheese over toast points and serve salsa on the side. Our Cheesy Eggs 'N Toast will satisfy your patrons who have a craving for spicy, Tex-Mex fare.

For information
circle number 15

And Over...

Kids Nachos

When you offer the little ones something to munch on before dinner, you create a whole new profit opportunity. Introducing an appetizer specifically designed for kids: Kids Nachos. We took crunchy tortilla chips and topped them with a special sauce, ground beef and a creamy American cheese sauce. Increase customer satisfaction by keeping the little ones occupied before their meals are served!



CASUAL THEME

MARKET SEGMENT REPORT

sirloin, a 16-oz. prime rib, a 9-oz. prime tenderloin, a 14-oz. New York strip, a 20-oz. porterhouse, and a 12-oz. ribeye.

As a result, the company's average check is somewhat higher than at other casual-theme restaurants, about \$10 per person. The restaurants are also open only for dinner. Nonetheless, unit volumes reach \$2.8 million.

That's a very attractive return on investment, considering that the cost to open an Outback Steakhouse can be as low as \$600,000. Decor reflects the Australian theme, with a cardboard Crocodile Dundee greeting customers at the bar. The interior and exterior are bare wood and no-frills.

Also growing rapidly is Nashville-

based O'Charley's, with 34 units in Kentucky, Alabama, Mississippi, South Carolina, North Carolina, and Georgia. Two more units will open by the end of 1991, and plans call for five more units in 1992. For the foreseeable future, O'Charley's will grow at a rate of five to seven units a year, all in the Southeast.

O'Charley's also places heavy emphasis on fresh foods and made-from-scratch recipes. The restaurant chain owns and operates its own butcher shop and bakery.

The menu features a broad range of entrees, from 11 burgers and sandwiches to prime rib, Cajun catfish, broiled bacon cheddar chicken, and Cajun chicken pasta. The highest price on the

menu is \$12.99. Average check at lunch is \$7, and at dinner \$11, says Pam Davis, O'Charley's marketing director.

O'Charley's started in Nashville in the 1970s, and was bought by former Shoney's president Dave Wachtel in the mid-1980s.

Though the company keeps a very low profile, Atlanta-based Houston's Restaurants Inc. has for several years won the admiration of competitors. The public likes Houston's, too; Houston's probably has the highest per-store averages of any national company at \$5 million.

Houston's operates 22 restaurants in Georgia, Texas, Florida, Illinois,



And Over...

Pigs In The Blanket

Rather than serving ordinary pancakes and sausage for breakfast, try this breakfast treat instead. To dress up this traditional breakfast fare, we took pancakes and topped them with juicy sausage and American cheese. Then we rolled them up and added a special cheese sauce. Make the morning meal a more profitable daypart and offer your customers Pigs in the Blanket.

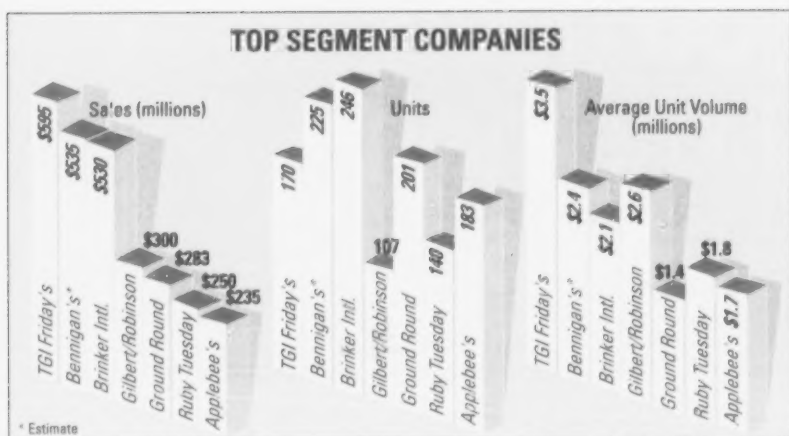
For information
circle number 15



And Over...

Steak Mozzarella

Beef up an ordinary steak the Italian way: with a touch of cheese. Our Steak Mozzarella has an elegant look and offers you the opportunity to charge more than you could with a plain steak. We seasoned our steak with fresh garlic and broiled it to order. Then we topped it with a mixture of basil, tomato and shredded Mozzarella cheese and broiled it until the cheese was bubbly. So, beef up your profits with the added value of cheese.



Missouri, California, Tennessee, Louisiana, Arizona, and the District of Columbia. The company plans to open two or three restaurants annually.

Casual-theme dining restaurants seem to be ideally positioned for the future. The key to success is remembering the changing demographics of the baby boom customer, marketing to families, and offering excellent quality at a reasonable price.

"The quick-service segment is moribund, and it doesn't cost a lot more to come to us," says Bill Esch, financial officer of Cooker. "Fine dining is more sensitive to the recession. We're in the right segment, and we're just trying to really deliver."

RB

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For information circle number 15

PRO'S PANTRY

1992 Price Forecast

By CHARLES THIENPONT

After a rapid increase during the first and second quarters, the 1991 food commodity index has declined steadily since June due to weaknesses in pork, beef, poultry, milk, and fresh vegetable markets. Prices farmers were paid in 1991 from January through September are down 1.8% from last year while prices at the wholesale level are up a modest 3.7%. Fourth quarter prices will not make any significant changes to the yearly inflation picture as beef, poultry, and frozen vegetable markets remain soft.

In general, manufactured food prices are expected to increase between 4% and 5% through 1992. Major factors affecting increases will again be processing and transportation costs. Prices paid to farmers and producers are expected to increase between 1% and 3%.

MEAT. Large inventories of cattle and hogs will likely keep prices at or below 1991 levels throughout the first half of the year. Yearly price patterns should remain normal with prices increasing during the first quarter, moving lower in the second and third quarters and rising again in the fourth quarter. Poultry prices are expected to be firm as supply and demand try to balance.

SEAFOOD. Despite some price weakness during the third quarter of 1991, seafood prices are expected to remain firm throughout 1992 as supplies will remain tight.

FRESH FRUITS AND VEGETABLES. Most tree fruit growers are experiencing a poor production year which will mean higher prices next year as supplies dwindle. Soft fruits such as straw-

berries and blueberries are plentiful and price will remain near current levels.

Fresh vegetable acreage will be comparable to this year but, as usual, prices will be dictated by the weather.

PROCESSED FRUITS AND VEGETABLES. As with the fresh, market fruit prices are expected to increase sharply due to tight freezer stocks. Unlike the fruit market, the vegetable market is in very good shape with large inventories of most items.

SHORTENINGS AND OILS. Prices should remain mostly steady with large crops of soybeans and cottonseeds. Only peanut oil prices look like they may move substantially higher as supplies tighten.

MILK AND MILK PRODUCTS. Milk production for 1991 is estimated to be up 2% from last year's 148 billion lb. while prices farmers were paid dropped a whopping 14%, according to USDA figures. Forecasts for 1992 look for production to continue to rise slightly while prices remain soft.

Total cheese production is expected to come in below last year's 6 billion lb.

Prices for next year are expected to remain on the firm side with increases between 2% and 4%.

Butter production continues to increase at a steady rate with the 1991 production forecast to be up 1% from last year's 1.3 billion lb. Butter prices are expected to increase from 1% to 2% in 1992.

EGGS. Production for 1991 is expected to be close to last year's 67.8 billion eggs with comparable prices. The outlook for 1992 is for continued modest production gains and from 1% to 3% price inflation. **RB**

Charles Thienpont is foodservice director for Hartwick College, Oneonta, NY.

1992 PRICE FORECAST BY CATEGORY

	1991 Est.	1992 Est.
MEAT, POULTRY, FISH	2-4%	2-4%
BEEF	3-5	2-4
PORK	4-6	2-4
POULTRY	0-2	1-3
FISH AND SEAFOOD	6-8	4-6
EGGS	0-2	1-3
DAIRY PRODUCTS	-2-0	1-2
SHORTENINGS AND OILS	4-6	2-4
FRUITS AND VEGETABLES	3-5	3-5
FRESH FRUIT	3-6	5-7
FRESH VEGETABLES	2-4	1-3
PROCESSED FRUITS	3-5	4-6
PROCESSED VEGETABLES	5-7	2-4
BAKERY PRODUCTS	4-6	3-5
SUGAR AND SWEETS	4-5	2-4
ALL FOOD	4-6	3-5

RB

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**COVER STORY: RB's annual
forecast by industry executives.
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COVER STORY

INDUSTRY EVENT FORECAST. On October 4th, at the Rainbow Room in New York City, *RB* hosted its 10th annual Presidents Forecast. The participants in the day-long discussion—which this year focused on how operators are fighting back against bad times—represented every corner of foodservice, even supermarkets **105**

FEATURES

INDEPENDENT STAR JOHN DOMINIS. The recession may have battered upscale restaurants as a group, but John Dominis of Honolulu and Newport Beach, CA, are trying to fight back. To combat a fall-off in business at the Newport Beach property, it has closed one 280-seat room, renegotiated the lease, obtained better deals from suppliers, and laid off 20% of its employees **76**

INDEPENDENT STAR THE SHIEK. Many customers have an appetite for nostalgia these days, an appetite for the old-

fashioned ambience, food, quality, and especially, the prices of "the good old days." The Shiek's (sic) Sandwich Shop in Torrington, CT, is one such place **87**

MULTI-UNIT OPERATOR WESTWOOD GROUP. Although Massachusetts is mired in recession, you wouldn't know it by this Boston-based operator of 21 restaurants, which continues to prosper, and even expand **92**

REPORT HOLIDAY BOOKINGS. Corporate partying, a victim of the nation's newly found conservatism, has undergone a marked change from the free-spending ways of last decade **100**

SUPPLEMENT MENU MERCHANDISING GUIDE, PART II

Cover photograph by Jay Grant

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DRAFTS, CARAFES & SPIRITS VODKA. This highly mixable spirit now comes in so many flavors—pepper, lemon-lime, and even buffalo grass—that some operators now offer vodka bars for sampling 157

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INDUSTRY REPORTS AVAILABLE

Reprints of the **1991 RESTAURANT GROWTH INDEX** and **1991 MAJOR FORCES IN FRANCHISING** are available for \$7 per copy. Direct inquiries to Editor Scott Allmendinger, *Restaurant Business*, 633 Third Ave., New York, NY 10017.

IN THE NEXT ISSUE

SPECIAL FEATURE FOOD COURT WOES. January is typically the slowest month for customer traffic at department and retail stores. With retail's biggest season over, how are food court and mall operators going to cope? Both chain and independent operators tell *RB* their strategies to bring patrons in and beef up first quarter '92 sales.

MARKET SEGMENT REPORT HAMBURGER. The major players are still slugging it out through menu expansion and value pricing. Meanwhile, the concept of double-drive-thrus continues to proliferate, due to low start-up and operational costs. Two trends in these customer-convenient quick-service units: They're either very focused on serving a simple or broadening product lines.

WARES, ETC. SEATING. Keeping customers comfortable while maintaining a design theme is the goal. Learn how smart operators do it successfully and within their budgets.

DRAFTS IMPORT AND SPECIALTY BEERS. Imports are still big profit-makers, and microbreweries and brewpubs are the latest trend.



TEST KITCHEN:
Desserts, p. 161.

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SUB & SANDWICH

MARKET SEGMENT REPORT

Sandwiches are perceived as a light, healthy, and fresh alternative to traditional fast food. "Other chains are spending millions of dollars to reposition toward new eating patterns. But, we're sitting where the market is going, and all the media attention on nutrition is driving people to us," comments Rick Schaden, president of Quizno's Classic Subs, Denver.

Sandwiches are also versatile, enabling operators to offer variety without sacrificing identity or putting a strain on operations. "You can put anything between two pieces of bread," points out Anthony Conza, president of Blimpie Subs and Salads, New York City.

The phenomenal growth of the Milford, CT-based Subway chain is another key factor that has helped drive expansion of the segment as a whole in the last few years. "There is no doubt that Subway has blazed trails," David Kilby, vice president, franchise development, for Cousin's Submarines, Menomonee Falls, WI, acknowledges. "What McDonald's did for hamburgers, and Pizza Hut and Domino's did for pizza, Subway has done for sub sandwiches.

It's created awareness for a segment that wasn't there previously."

"There is certainly a lot more activity in the category than when we started," Fred DeLuca, president of Subway Sandwiches & Salads, agrees. "There are probably twice as many companies offering sub franchises as there were five years ago." In terms of sheer number of units, however, other chains have yet to make a dent in Subway's dominance. Subway's 4,800 U.S. units accounted for 70% of all sub chain stores in the nation at the end of 1990, and almost half the total number of sub shops including independents. Subway's addition of over 1,000 domestic units in 1991 pushes it even farther in front.

Representing 3% of all U.S. restaurants accord-

continued on page 124

Low start-up

costs are driving expansion.

By Carol Casper

Rox is repositioning itself as a "main-line fast-food chain offering sandwiches." Rox introduced two sandwiches this year, including a sirloin cheesesteak.



SUB & SANDWICH

MARKET SEGMENT REPORT

ing to RE-COUNT statistics from the Restaurant Consulting Group, Evanston, IL, the sub shop category is still small compared to other fast-food segments. However, because of its small base, it is probably the fastest-growing menu category. From 1987 to 1990, the number of sub sandwich places grew 60%, compared to a 30% increase in Oriental restaurants and 20% growth in pizza operations over the same period.

Another factor contributing to the fast growth of sub shops is their generally low start-up and operating costs

compared to most other fast-food enterprises. Some franchises promise start-up packages as low as \$40,000 to \$70,000, including a franchise fee. Many fall below \$150,000.

On the other hand, sub and sandwich places' annual sales are typically lower than those of other fast-food restaurants. Subway's U.S. units average just under \$260,000 annual volume, DeLuca says. Yearly volumes over \$500,000 are considered high for the segment.

SALES STRATEGIES. To boost store sales, a number of companies are looking at opportunities outside their nor-

mal lunchtime stronghold. Some are beefing up the hot portion of their menus to draw more dinner business. Others are experimenting with breakfast. Several chains are putting an emphasis on marketing extra services such as catering.

There is also a trend toward upscaling. A number of chains are moving away from the perception of the sub shop as a provider of inexpensive lunches for working people and students. Instead, they are cultivating identities as delis or family restaurants by expanding menus, putting more emphasis on decor, and offering extras.

Subway is focusing on the basics in its operations, while continuing to grow by leaps and bounds. The chain will end the year with nearly 6,200 units including 300 outside the U.S. In 1992, the sandwich giant plans to add another 1,000 outlets.

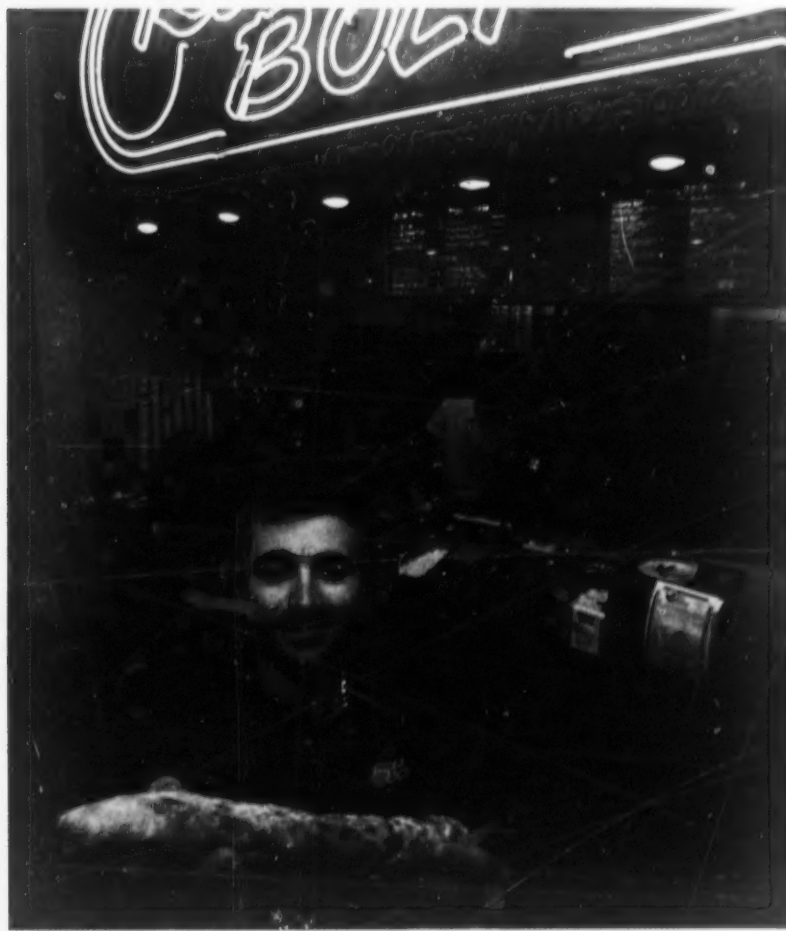
Putting the numbers in perspective, DeLuca points out that just five years ago Subway operated fewer than 1,000 stores. "We are now the third largest chain in the U.S. in terms of units," he claims. "But even back when we had 200 stores in 1982, we always had the vision of a large chain. We just got there faster than we expected."

Subway's annual sales in 1991 will top \$1.4 billion, including \$55 million from units outside the States. Next year Subway plans to step up overseas development, adding Japan, Holland, Spain, Portugal, and Ireland to its international markets, which presently include Canada, the Caribbean, Mexico, Guam, Korea, Australia, and Bahrain. Still, 900 openings in '92 are slated for the U.S.

Subway gave franchisees the option of adding two sandwiches catering to local tastes this year. Most took advantage of the opportunity, resulting in some unusual items like caribou in Alaska and a lamb sandwich in Bahrain.

Looking to the future, DeLuca says, "We're doing the same things other companies are doing to gain incremen-

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Anthony Felicetta with his invention, The Boli, at a Roli Boli store.

SUB & SANDWICH

MARKET SEGMENT REPORT

tal sales; a lot of work on hot sandwiches for evening business, and breakfast." About 8% of U.S. units now serve breakfast, compared to 6% a year ago. "That could grow to 25% in five years, but breakfast will never be a major portion of our business," says DeLuca.

He expects value pricing will continue to exert a strong impact on the fast-food market, with the sandwich segment no exception. Subway's own value initiatives this year included a \$1.69 6-in. sandwich promotion, which "lowered the price of admission," and a limited-term "Buy One Get One Free" deal. Next year the company plans to introduce a 79¢ round sandwich that could become a permanent addition.

BURGER ALTERNATIVE. While Subway captures headlines with its mushrooming growth, veteran Arby's Restaurants has held its own as the overall sandwich category leader (excepting hamburger chains) by positioning itself squarely as an alternative to burgers. "We target heavy fast-food users aged 18 to 24 as our primary market. Those are the people who have burned out on burgers," notes Lloyd Fritzmeier, president of Arby's Franchise Association, Atlanta, the chain's marketing arm.

To strengthen its position as the hamburger alternative, Arby's has been adding more variety to its core roast beef menu. Last April, it introduced two grilled chicken sandwiches, and in August it went national with a three-item light menu featuring roast beef, roast chicken, and roast turkey. All are served on a multi-grain bun with light mayonnaise, lettuce, and tomato. The light menu and grilled chicken sandwiches each now account for some 8% to 12% of sales.

The chain has generally tried to



The Steak Escape broadened its menu with the new GRANDest Chicken Sandwich.

avoid the value-pricing competition, focusing instead on its twin themes of quality and variety. However, Arby's does offer a line of "99ers"—smaller sandwiches sold for 99¢.

Among its successful campaigns last year was a Quality Guarantee, communicated through TV and print ads, which promised customers "satisfaction or their money back." The program increased traffic and overall sales, Fritzmeier reports. In 1992, Arby's will launch a new campaign highlighting its positioning as "a delicious change from burgers." The chain will also be testing sub sandwiches.

Arby's has over 2,500 stores, including 120 outside the U.S. Like Subway, the chain is stepping up international expansion. Gaylon Smith, senior vice president of the franchise group, at Arby's new Miami headquarters, notes,

"This fall we signed an 18-store deal in Holland, a 50-unit agreement in the U.K., plus several Caribbean develop-

ment agreements. We've also signed a master franchisee in Mexico who will open 20 to 30 stores in the next 18 months." Domestically, the company has been adding an average of 220 stores per year for the last few years and will continue that rate in 1992. Arby's has maintained a ratio of 10% company-owned to franchise stores, but plans to increase its company base to 20%-25% in the next few years. Domestic stores average \$625,000 annual sales. For 1991, Arby's worldwide sales will top \$1.5 billion.

After the two titans, Arby's and Subway, the size of the leading sandwich chains drops off precipitously.

ROAST BEEF. Rax Restaurants, Dublin, OH, has maintained its No. 3 position despite closing nearly 90 units in the last 12 months. The chain now operates 361 restaurants, 70% of which are franchised. Chainwide sales in 1990 fell just short of \$300 million.

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**The segment is
also competing
with value menus.**

SUB & SANDWICH

MARKET SEGMENT REPORT

In recent years, Rax sought to reposition itself as more of a "main-line fast-food operation offering sandwiches," one executive commented last year.

At the moment, however, future marketing and expansion plans are unclear. The chain did add two new sandwiches to its menu in 1991: a sirloin cheese-steak and a chicken fajita.

With well under one-tenth as many units and a little under one-tenth its sales volume, Blimpie trails Subway as the nation's No. 2 sub sandwich chain.

Thanks to Subway's success in introducing the sub to "fast food-eating middle America," Blimpie hopes, however, to tighten the gap a bit through an accelerated expansion program of area development agreements.

Blimpie added 100 units in 1991 for a total of 500, and plans to have 1,000 open by 1995. In the past three years, it has built its organization from 12 to 50 area developers with subfranchising rights in 28 states.

Blimpie's other major move has been a switch to fresh bread baked on premise. About 25% of existing stores and all new sites now feature it.

The in-store ovens also allow the shops to offer freshly baked cookies and breakfast goods. While Blimpie has long served a ham and egg breakfast hero in New York, the product was dropped as it moved into other areas. Now, however, the chain is considering re-implementing it along with other breakfast items. Another departure for the chain, says Conza, was its addition of a "Lite" line of low-calorie sandwiches in pita bread.

Blimpie also introduced a value menu this fall following six months of testing. It consists of three "Quik Bite" sandwiches: a mini-Blimpie or veggie and cheese pita pocket for 99¢,

and a new BLT for \$1.59.

The chain also debuted a new store design in 1991, featuring brighter colors and a more contemporary look. Blimpie's units average just under \$300,000 in annual sales, with checks averaging \$3.60. Chainwide sales will top \$127 million this year.

Also on the move is Austin, TX-based Schlotzsky's Inc., which has repositioned and launched an aggressive new expansion plan. "We're moving the concept away from fast food and more into the midscale or deli segment," Kelly Arnold, national sales manager, explains. "We're expanding the menu from seven to 13 sandwiches, extending pizza from evening only to all-day service, beefing up salad and dessert lines, and increasing portion sizes."

MUFFULETTA. Last year Schlotzsky's hired New Orleans-trained chef Michael Dyer to develop the new menu. It still features Schlotzsky's "Original," a distinctive sandwich based on the

Consumers see

sandwiches as

a healthy choice.

New Orleans Muffuletta. New items include hot deli sandwiches like smoked brisket BBQ, a section of light sandwiches like Dijon chicken breast and Cajun seafood & crab salad, and chef salads featuring smoked turkey or grilled chicken. An 8-in. personal pizza was developed using Schlotzsky's proprietary bread recipe for the crust.

With the new menu comes a new name: The Original Schlotzsky's Deli. A prototype has open deli cases, meats, cheeses, garlic bunches and peppers hanging from the ceiling, and butcher

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Pictured is an artist's rendering of Schlotzsky's new restaurant design.

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MARKET SEGMENT REPORT

block tables and counters. The first of these units was scheduled to open late last month. In the interim, the company has been testing the menu in an existing unit, and will begin phasing it into existing franchises early next year.

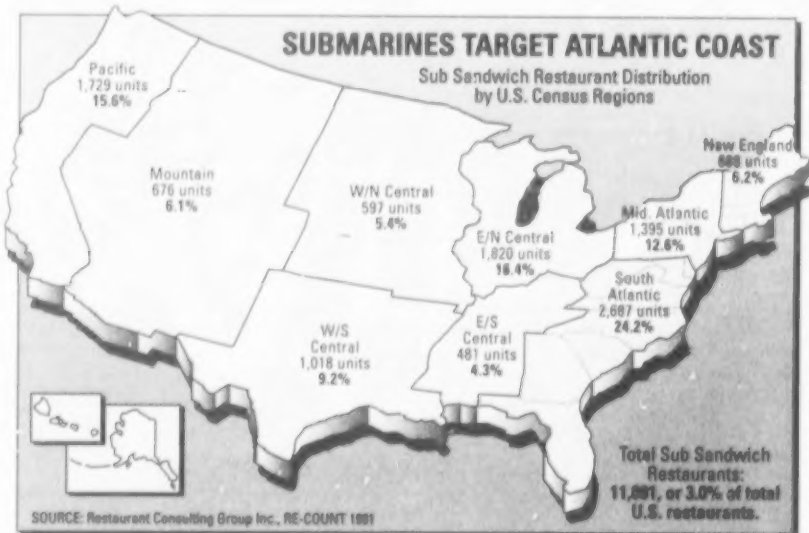
Meanwhile, the franchise operation has designated 75 regional territories in the U.S. to be developed by subfranchisors. Since it launched the program in August, more than a dozen area developers have been signed and more are in process. At least 50 units are expected to open next year. Currently Schlotsky's system totals close to 250 units. Sales for 1991 should top \$62 million.

TARGETED EXPANSION. Another chain that is stepping up expansion, albeit on a smaller scale, is Cousin's Submarines. Cousin's opened a dozen stores in 1991 for a total of 61 at year's end. Nearly 40 more are under development. "We've targeted 15 openings in 1992 but if financing sources open up we are capable of doubling that number," says Kilby, who came to Cousin's in 1989 from Domino's. Franchised units now account for about one-third of stores.

Cousin's growth efforts are now focused in several states outside its Wisconsin base. It acquired and converted a four-store chain in Minneapolis this summer, sold a 10-store development agreement in Chicago, and plans to open up in Indiana and Iowa next year.

The company debuted its first food court operation in August, in a discount "mega mall" in Gurnee, IL. Due to the center's size, Kilby notes, the site should do substantially more volume than Cousin's full-size stores, which average close to \$500,000 annually.

Early stores measured 2,000 to 2,200



sq. ft. with close to 60 seats, but recent openings have been downsized to 1,500 to 1,600 sq. ft. and 46 to 48 seats to trim costs. The stores do 60% to 70% of sales in take-out overall, and wherever possible incorporate drive-thru windows.

Evening sales are on the rise, Kilby adds, with some stores trending toward a 60/40 or even 50/50 ratio of lunch to dinner business. The chain's wide menu, featuring a high proportion of grilled and other hot sandwiches, boosts night-time traffic. New products this year include an Italian link sausage sub, grilled chicken breast, and seafood and crab summer sandwich, as well as chili. Cousin's answer to value pricing is a new Mambo Combo feature: 4-in. mini-subs with turkey, meatball, seafood, or ham, served with a soda and regular fries for \$1.89.

In 1992, Cousin's will celebrate its 20th anniversary with a move into a new headquarters that includes an expanded central bakery. Most stores are supplied by the company bakery, but 10 outlying units bake in-store and more will follow as the system continues to expand geographically.

D'Angelo's Sandwich Shops, W. Bridgewater, MA, is another chain whose franchising plans have been partly stymied by the tepid economy. In

contrast to the many sandwich chains that function primarily as franchisors, D'Angelo's had focused almost exclusively on company operations until last year, except for 32 units franchised to former employees and associates. In late 1990, the company launched its first major franchising drive, designed to boost growth outside its Northeast stronghold. By October, 1991, only two new franchised units had opened, in Kissimmee, FL, and Kansas City, MO. Several others are in the works, according to Roy Jemison, vice president and general manager.

While waiting for franchising to gather momentum, D'Angelo's has accelerated new company store development to take advantage of low real estate costs. It will have opened about a dozen units by year's end, for a total of nearly 165 stores.

D'Angelo's shops are large for the segment, running 2,000 to 2,400 sq. ft., with 50 to 70 seats. Annual unit volumes average from \$550,000 to \$600,000, but new stores, opening mainly in densely populated areas, tend to run even higher, Jemison says. The menu features wider variety than many

Menu additions

aim at enlarging

dinner business.

SUB & SANDWICH

MARKET SEGMENT REPORT

sandwich chains, including a large number of grilled items among its hot and cold subs and pita "pokkets."

In March, the company rolled out a Healthy D'Lites menu. It features nine sandwiches and four entree salads plus frozen yogurt desserts. The sandwiches include a chicken stir-fry pokket with peppers, mushrooms, and onions, several steak sandwiches, roast beef, and turkey, plus a lite version of its popular vegetarian pokket. Virtually all of D'Angelo's stores also offer Chips ice cream and frozen yogurt at a separate counter. Recently, D'Angelo's began testing personal pizzas and breakfast.

Another chain that has been stepping up expansion to take advantage of the soft real estate market is Togo's Eatery, operated by M.T.C. Management Inc. in Campbell, CA. It opened a dozen stores in 1991, for a total of 146, and plans 12 to 15 more in 1992. Most of Togo's present stores as well as expansion plans for next year are concentrated in California, making it a major factor in that state. The company also has a handful of units in Oregon, Texas, Colorado, and Nevada, and expects to shift more growth to these states in coming years. Just eight units are company-owned.

The menu includes over 30 hot and cold sandwiches, plus salads, fresh soups of the day, and homemade chili. "We're trying to get more dinner business with new menu items, point-of-purchase materials, and advertising," president and CEO Mike Cobler notes. "Just as pizza operations are guaranteeing 5-minute pizzas to attract lunch business, we're trying to convince customers that sandwiches are a viable option for dinner, and we've had some success."

The chain's hand-somely printed menu features a list of cater-

ing selections. The menu also includes recommended choices for kids and a note that sandwiches can be cut into kid-sized pieces.

Togo's stores average \$450,000 annual volume. Systemwide sales will reach about \$67 million this year. "We're positioned a little more upscale than most of the segment," Cobler says. It shows in product quality, marketing materials, and decor, which includes touches like Italian tile, marble, and oak.

While Togo's Eatery has occupied its upscale niche for years, a growing number of other sandwich chains are now aiming for the same territory.

UPSCALE DELI. Quizno's Classic Subs conjures up the image of an upscale Italian deli/market rather than a sub shop, for example, says president and CEO Schaden. This tone is conveyed through features like under-counter display cases stocked with an assortment of chef's salads, bottled beverages, and desserts. Shelves over the back preparation counter are decorated with large, colorful jars of sauces. The decor also features Italian tile floors, colorful checkered tile accents on the walls, and rich wooden paneling.

The 20-unit chain's menu includes traditional subs done Quizno's style, such as roast beef with mushrooms, sautéed peppers and onions, "drenched in au jus," and a club sub of lean smoked ham and turkey breast. Its veggie sub is made of guacamole, black olives, Bermuda onions, tomatoes, mushrooms, cheddar, and mozzarella cheese. There are also entree salads

Breakfast is another avenue of expansion.

and a line of eight light sandwiches and salads that meet Denver's HealthMark guidelines for low-fat, low-cholesterol meals. The average check is \$5.

In the last year, the company has added pasta in an attempt to gain more evening and weekend business. It is now working on a family-size bucket of pasta for dinner take-out and some new products designed specifically for kids.

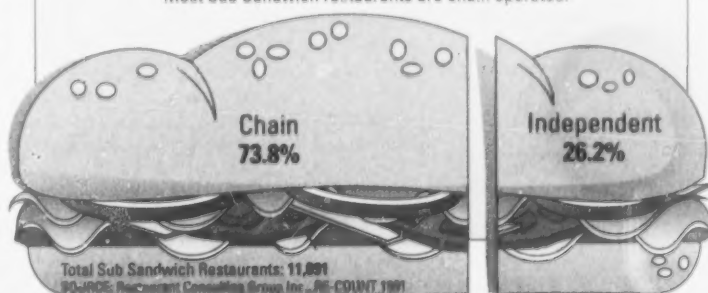
The 10-year-old chain has mounted a new growth drive since franchisee Schaden and his father acquired the franchise corporation early this year. They have created new support systems and marketing and advertising initiatives. Their plan is to grow to 130 stores in five years, with development focused first in the Midwest and Florida, Colorado, and California.

Another chain giving subs a new upscale image is Miami Subs, Fort Lauderdale, FL. Despite its name, hot and cold subs actually make up only 40% of sales, notes president Ron Petty. Other popular items include gourmet burgers, gyros, chicken and shrimp platters, and signature desserts like baklava and Key lime pie. The restaurants also serve beer and wine, including Champagne.

"We're something of an enigma," says Petty, describing the chain's positioning. "We have a broad menu and everything is cooked to order, so the quality compares with table-service restaurants, but we also offer speed." Drive-thru accounts for 35% of volume. *continued on page 140*

CHAINS HAVE THE EDGE

Most Sub Sandwich restaurants are chain operated.



SUB & SANDWICH

MARKET SEGMENT REPORT

Another 15% is take-out. Checks average \$5.50 and annual unit volumes are nearly \$1 million.

The majority of the chain's 80-odd units, all but five of which are franchised, are located throughout Florida. In the last year, Miami Subs has made inroads in the Midwest and up the East Coast. Systemwide sales this year will approach \$60 million.

To keep start-up costs down, the chain specializes in conversion properties that are given new life with bright lights and colors, and hand-painted interior murals. "With all the consolidation, there's a lot of real estate on the market, so it's a good time to grow," Petty notes. "In many cases, we've been able to double and triple the volume of previous occupants."

NEW AND IMPROVED. Port Of Subs, Reno, NV, presents a more conventional version of the "new, improved" sub shop. It is positioned as a neighborhood sandwich shop, according to president Pat Larsen. Preferred locations are community shopping centers.

Port Of Subs' 28 sandwich varieties are offered in three standard sizes, 5 in., 8 in., and 12 in. A new 24-in., extra large sandwich is also available alone or in a special family pack with four small beverages and four bags of chips for \$11.95. The package was designed to meet family dinner needs, and has "gone over tremendously," Larsen says. Other family-oriented specialties include children's meals. Packaged in custom-made ship-shaped boxes, they come with coloring books and other premiums featuring the chain's own Captain character and his friend "Subby the submarine."

The stores bake their own breads,

and this year added a new pastry line of muffins, cinnamon rolls, and strudels.

In addition to in-store sales, the parties have boosted off-premise catering. "We'd like to build catering to 10% of sales," says Larsen.

Port Of Subs' 64 units, mostly franchised, are located in Nevada, California, Arizona, and Washington. The company hopes to open one unit per month next year. Annual unit sales range from \$250,000 to nearly \$500,000.

Seawest Subs, Bellevue, WA, which operates The Sub Shop franchise system, has also begun helping its operators market party trays more actively by providing marketing materials and support. In-store, the chain has been featuring soup and sandwich combos, notes president Mitchell Day.

Seawest's system includes 104 units in 14 states. The company plans to add 40 to 50 new units in 1992. Stores are compact, measuring just 800 to 1,100 sq. ft., and concentrate on take-out.

CHEESESTEAKS. A growing genre is chains that specialize in Philly cheese-steak sandwiches. Great Steak & Fry Co., owned by Nicar Management, Hamilton, OH, is among the leaders, with 104 stores in 38 states and Canada. It is expanding at a rate of 15 to 20 units a year. Most are in food courts in malls and mixed-use complexes.

In addition to cheesesteaks, the chain offers grilled ham, turkey, and chicken versions, vegetarian sandwiches, entree salads topped with hot stir-fried steak, chicken, turkey, or ham, and fresh-cut fries. It is also extending a breakfast menu of omelet sandwiches to a number of units, mainly in downtown office locations. In 1992, president Nick Lanni says, the chain will rotate



Runza Restaurants' Runza (rt.) is an ethnic variation.

several banner specials such as a Cordon Bleu Philadelphia made with stir-fried turkey and ham topped with melted Swiss.

Checks average \$4 and annual store volumes run about \$450,000. Systemwide sales for 1991 will hit \$35 million. The company is also starting to combine some units with another concept it owns, Potato King, which features baked potatoes.

Steak Escape, Columbus, OH, does about the same volume with 82 units in 24 states, plus three in Japan. It expects to open 20 stores in 1992. Steak Escape features a menu similar to Great Steak & Fry, including a grilled chicken sandwich introduced this year. Steak Escape also added "Sizzling Salads" to the menus of new stores.

All stores are in food courts, but the company is researching other locations, notes director of marketing Carm
continued on page 144

**Sandwiches have
the advantage
of great variety.**

SUB & SANDWICH

MARKET SEGMENT REPORT

Bonaventura. One of its key marketing programs is focused on mall employees. "We provide a Mall Association Appreciation Card, which gives mall employees intensive discounts."

The latest entry in the cheesesteak sweepstakes is Charley's Steakery, owned by Gosh Enterprises, Columbus, OH. President and CEO Charley Shin opened his first unit in 1986 while a junior at Ohio State University. After adding four more, he began franchising the concept. Five franchised units will open by March of 1992, and Shin hopes to double the numbers yearly.

One is also scheduled to open at Pittsburgh's airport next fall. The look of the units is upscale, with a lot of oak, brass, and colorful tile, and large, glossy product photos. In addition to the traditional Philly cheesesteak, it features Italian, Mexican, and Oriental steak and chicken versions.

Although the menu at Gaithersburg, MD-based Jerry's Subs & Pizza is considerably broader, Philly cheesesteaks are also the lunchtime mainstay for this combination chain. "In January 1990, we began promoting a Philly double

cheesesteak, adding American cheese to our regular provolone," says director of marketing Dana Siller. "Based on its popularity, we've since presented a rotating line of steak sandwiches." They include bacon-Monterey double cheese, bacon-muenster double cheese, and a triple cheesesteak with Swiss.

Jerry's menu includes a full complement of other sub sandwiches such as meatball and cheese, chicken filet, and Italian cold cuts. The chain also recently introduced a "Cheap Thrills" program: a choice of one of three sandwiches with fries and drink for \$3.99. At dinner time, pizza takes over as the main attraction. "We really have two different dayparts," Siller says.

Jerry's operates 78 units and expects to open about a dozen in 1992. Average annual sales are \$569,000.

ETHNIC VARIATIONS. Ethnic foods also make for some interesting sandwich opportunities. Runza Restaurants, Lincoln, NE, has built its success on the registered trademarked "Runza." A Runza is a blend of ground beef, cabbage, onions, and spices baked inside homemade bread, which originated in Eastern Europe. The Brening family brought the recipe with them to

From 1987 to '90

sub sandwich

units grew 60%.

Nebraska in the late 1800s, and descendant Sally Everett used it when she opened a restaurant with her brother and brother-in-law in 1949. Under the leadership of her son, Donald Everett, the restaurant developed into a regional chain, which offers the original Runza plus cheese and Italian varieties, as well as other sandwiches.

Runzas are best known in Nebraska, but their popularity is spreading with the chain's expansion into other states including Iowa, Kansas, Colorado, and Illinois. It operates 21 company-owned stores and 37 franchised, according to spokeswoman Renee Moyse.

A more recent entry on the scene is the "Poli," created by Italian-born Anthony Felicetta. He describes it as a lighter cross between an Italian calzone and stromboli sandwich. The rolled, closed sandwiches are made of French bread dough, filled with a variety of fresh ingredients. Felicetta opened his first Roli Boli store in 1987, making Bolis with ingredients like lobster, artichoke hearts, vegetables, sausage, meatballs, and cheeses. The sandwiches cost between \$3.50 and \$5.50.

He began franchising in March 1990. Roli Boli Enterprises, Sayreville, NJ, has since grown to over a dozen units and Felicetta expects to nearly double that number next year. In addition to its New Jersey base, the chain now has stores contracted in Connecticut, Massachusetts, Florida, North Carolina, and California.

The success of ethnic variations speaks well of sandwiches' versatility. That factor, combined with the product's health and nutrition associations and unit's relatively low start-up costs, bodes well for continued rapid expansion of the sandwich segment. **RB**



Quizno's Classic Subs has the decor of an upscale Italian deli.

JANUARY 1, 1992
A BILL PUBLICATION

RB

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BUSINESS BAROMETER

Singles Big Restaurant Patrons

Singles under 45 are by far the most frequent visitors of restaurants and foodservice establishments of all categories. Next biggest user: older marrieds.

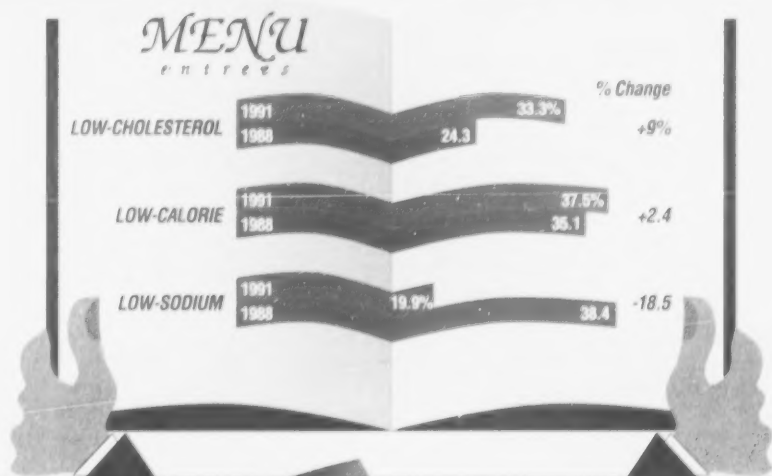


	Single, under 45	Single, over 45	Married, under 45	Married, over 45
Tableservice, (over \$10 avg. check)	25%	17%	16%	21%
Tableservice, (under \$10 avg. check)	42	35	28	35
Fast Food	41	17	25	19
Carry-out	44	26	36	17
Cafeteria, buffet	24	13	13	19
Delivery	20	6	11	3

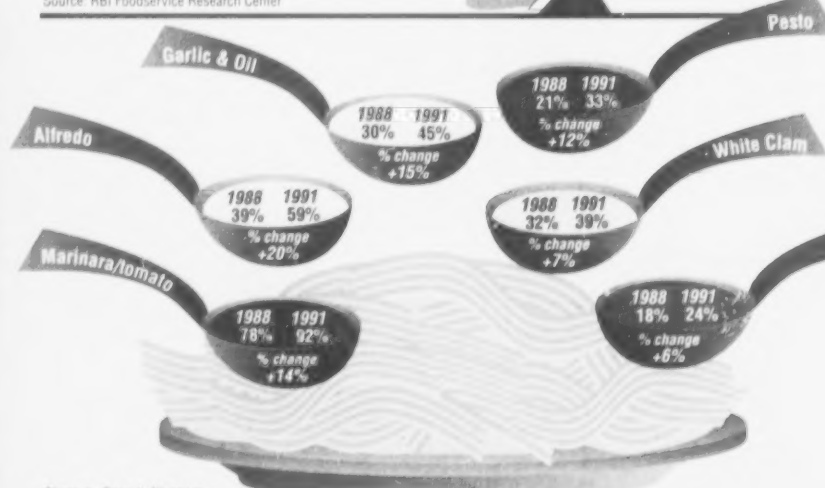
Source: National Restaurant Association

Low-Cholesterol Up, Low-Sodium Down

Restaurant operators have been menuing more low-cholesterol entrees and to a lesser degree low-calorie dishes since 1988. Low-sodium entrees have declined dramatically; this may reflect decreased health concerns over salt intake.



Source: RBI Foodservice Research Center



What's On The Pasta?

Pastas with sauces of all kinds are on the upswing. Pesto sauce and garlic and oil have gained prominence among restaurateurs in the past three years. However, the top two choices continue to be marinara and Alfredo.

Charts by Peter K. Niceberg

Source: RBI Foodservice Research Center



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Al Copeland
butts heads with
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BANKRUPT BLUES. A nasty fight in bankruptcy court over Popeyes and Church's may have irreparably damaged the once-thriving chains. But did their merger ever make sense, and who's to blame for their fall? 60

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INDEPENDENT STAR GREEN GARDEN. On the Hawaiian island of Kauai, Sue Hamabata serves as many locals as tourists, so tables aren't empty when vacation traffic slacks off. Prices are low in a resort area where bargains are hard to come by. At the 43-year-old Green Garden

restaurant, a customer can spend as little as \$5 at breakfast and lunch; many dinner plates cost less than \$8. Annual sales are about \$1.1 million 50

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The fortunes of the hamburger segment in 1991 presented a mosaic of successes, recoveries, and disappointments. The top three chains continued to struggle against the tide of declining customer counts, sales, and profits that have plagued them for the last few years. Fourth-place Wendy's, with record sales and earnings, is revving up for a renewed expansion drive 117



Cover illustration by Todd Lockwood

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FOOD AND BEVERAGE

MENU IDEAS LAMB. Until now, restaurant lamb preparations have been limited to the premium cuts. Nearly one fifth of restaurants currently serve lamb, and those that do tend to be full-service, high-volume independents. But economy and flavor are two good reasons to get off the rack. Less expensive cuts of lamb, even trimmed and ready to cook, are bargains.....75

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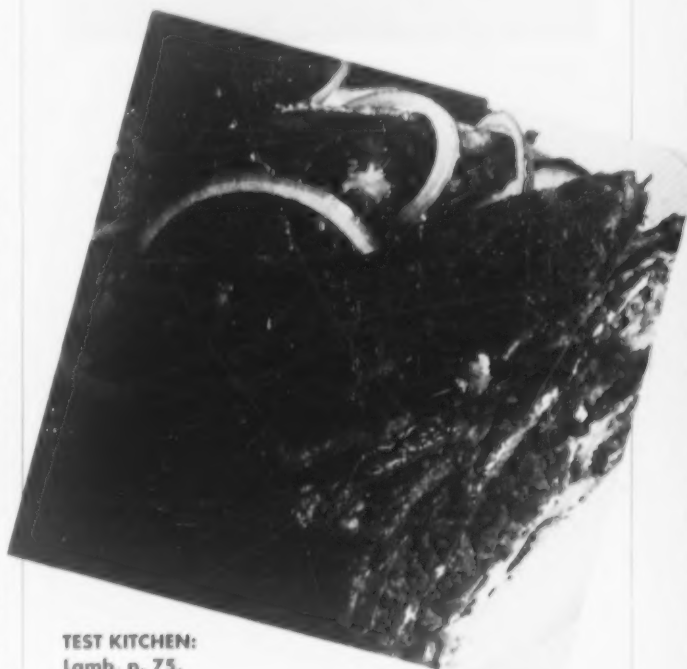
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MARKET SEGMENT REPORT ITALIAN. The segment is still very strong, and growth rates indicate that chains are going to continue to take a larger slice of the pie than the old established independents would like. In the midscale to upscale part of the market, there seems to be a growth in Tuscan restaurants that feature grilled items.

SPECIAL REPORT COMPUTERS IN FOODSERVICE. With profits being squeezed at restaurants, operators are turning to technology to help the bottom line. This article will contain information on software that, for example, helps restaurateurs track costs and control inventory, in addition to other point-of-sale functions.

MENU IDEAS CHILDREN'S MENUS. With the kiddies responsible for most of their parents' restaurant decisions, it pays to have a children's menu to entice both younger and older clientele.

DRAFTS, CARAFES ADDING VALUE WITH THE PREMIUM WELL. Create an upscale image and upsell your customers with premium-brand spirits.



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Lamb, p. 75.

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HAMBURGER

MARKET SEGMENT REPORT

The fortunes of the hamburger segment in 1991 presented a mosaic of successes, recoveries, and disappointments. The top three chains continued to struggle with varying results against the tide of declining customer counts, sales, and profits that have plagued them for the last few years. Fourth-place Wendy's, on the other hand, with record sales and earnings, is revving up for a renewed expansion drive.

Menu initiatives that respond to the public's demand for lighter, healthier foods and greater variety almost make it hard to find the hamburgers on some chains' menus these days. In the wake of this development, the rapidly expanding double-drive-thru sector seems to be taking over the function that the major hamburger chains used to perform but have largely grown beyond: serving a strictly limited menu of simple food, fast and cheap. The double-drive-thru's success and other evidence indicate that the hamburger has not lost its status as America's national food. A recent survey conducted for the National Restaurant Association shows that hamburgers or cheeseburgers still rank as the most popular item among American restaurant diners: They are included in 17% of all orders. Their share, however, dropped from 19% in a survey conducted three years ago. Pizza, the next most popular item, rose from 12% to 13%.

That trend may not overly worry McDonald's, which continues to expand its much-discussed pizza tests. About 500 U.S. locations now serve pizza. An anticipated national rollout has been delayed, however, until the chain can put together a complete dinner menu of which pizza will be just one element.

The last two years have been a time of

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**Customer counts,
sales, and profits
continue to decline.**

By Carol Casper

Central Park USA
was one of the
pioneers of the drive-
thru-only concept.
This subsegment
is rapidly expanding.





HAMBURGER

MARKET SEGMENT REPORT

unprecedented menu expansion and experimentation for the traditionally conservative, Oak Brook, IL-based giant, which operates over 8,700 restaurants in the U.S. and more than 12,000 worldwide. Introductions have included its 91% fat-free McLean Deluxe hamburger, low-fat frozen yogurt and milk shakes, and fat-free apple bran muffins. While many new products are geared to the health trend, the company is also responding to the popularity of ethnic foods. Aside from pizza, this summer McDonald's rolled out chicken fajitas and breakfast burritos for a limited period chainwide.

Adding to the impression that one never knows what to expect from McDonald's these days, customers in New England this summer were treated to a lobster sandwich.

Given the array of other items under test in its corporate kitchens or in limited markets, these developments appear to be just the beginning. This past summer McDonald's began testing skinless, oven-roasted chicken at a handful of stores and expanded the availability of fried chicken wings. In September it introduced pasta in the Rochester, NY,

locations as part of its work on dinner.

These product initiatives are just one facet of the world's largest restaurant chain's efforts to reverse the trend of dwindling customer counts and flat store sales that have dogged it for the last few years.

Other responses include the introduction of its own value menu of selected items promoted on a regular basis, such as 59¢ and 69¢ hamburgers and cheeseburgers. Michael Mueller, an analyst with Montgomery Securities, San Francisco, notes. It is also working to bring bloated investment costs back in line with sales through improved construction methods and downsized units, and is exploring alternative sites.

Another potential distribution route may be airline feeding. Last summer McDonald's announced it would team up with United Airlines to provide special children's meals on flights to and from Orlando, FL. It is expected the program will eventually be expanded throughout United's system.

With the U.S. market nearing saturation, the company has also stepped up overseas expansion. Roughly two-thirds of McDonald's new openings over the

Burgers are included in 17% of all orders.

next few years will be abroad.

The firm also surprised many with its first venture outside the food business this year: a paid-admission indoor playground called Leaps & Bounds.

All the activity may be starting to have some positive impact. Restaurant analyst Peter Oakes of Merrill Lynch, New York City, estimates McDonald's U.S. systemwide same-store sales rose slightly in the third quarter of '91, their first gain since the beginning of 1990. Mueller adds that although company-owned store operating revenues dipped slightly in the third quarter, by 0.3%, that was a significant improvement over the double-digit decreases of the first two quarters of '91, which followed a net fall of 9.4% in 1990.

With close to \$13 billion sales in the U.S. market alone, McDonald's performance in 1992 will be largely dependent on the macro-economic climate, Oakes adds. While McDonald's has its work cut out for it, observers agree that it has staked out some paths to recovery.

UNCERTAIN DIRECTION. The direction being pursued by second-place Burger King, however, appears less certain to analysts. With fewer than two-thirds as many U.S. units as McDonald's and just over half as many stores worldwide, the chain, based in Miami and owned by Grand Metropolitan, PLC, of London, is aggressively opening new units on a market-by-market basis both at home and abroad, notes Wendy Lester, media spokeswoman. Burger King's total system sales in 1990 reached \$6.1 billion. By mid-'91, it had 5,522 U.S. and 841 international units.

One clear development is that Burger King is increasing its marketing of national branded products. In October it hired Sidney Feltenstein,



Burger King's BK Broiler is a lighter addition to its menu.

formerly senior vice president of marketing with Dunkin' Donuts, as executive vice president, brands strategy.

According to Lester, company leadership believes its branded approach "enhances our own brand and increases perceived value to the customer." Burger King's switch to Newman's Own salad dressings two years ago reportedly helped double salad sales overnight. Since then, Burger King has rolled out Snickers ice cream bars, Breyer's frozen yogurt, and most recently Famous Amos chocolate chip cookies. In addition, the chain has begun a new health-oriented menu.

Dubbed "Your Way the Lighter Way," it debuted in 144 locations in four cities last fall, and will be expanded in '92, says Lester. In addition to the already popular BK Broiler, the light menu includes Weight Watchers entrees like fettuccine with broiled chicken and angel hair pasta, broiled chicken salad and garden salads, veggie dips, Weight Watchers brownies and mocha pie, and frozen yogurt.

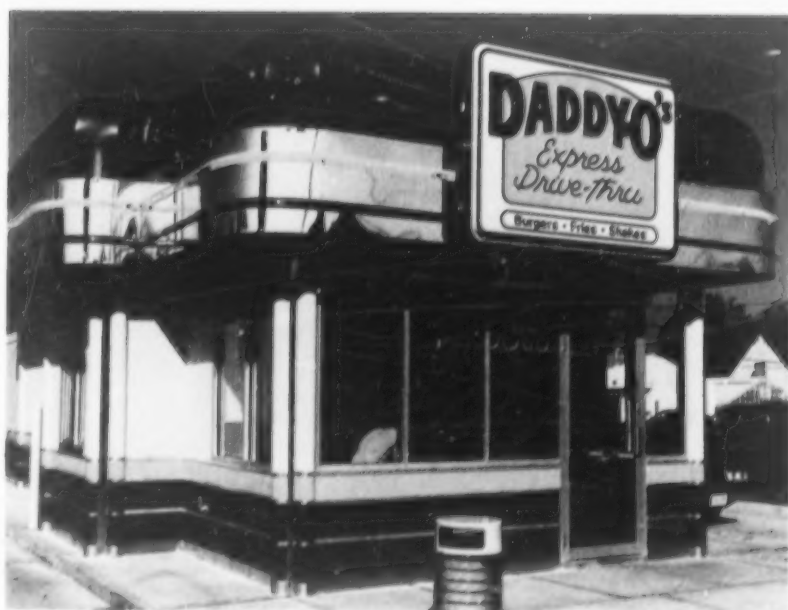
Like McDonald's, Burger King is also exploring pizza. A test of Domino's pizza ended last year but the chain is looking at another pizza product, Lester comments. Burger King also introduced a miniature Breakfast Buddy sandwich in '91.

Its "Your Way Right Away" slogan emphasizes the variety of choices and suggests that customers can have their orders prepared however they like, without any extra wait, Lester says.

The company's view on value pricing, she adds, is that it can be a short-term tactic, but not a strategy. "We've offered short-term discounts, but as a long-term strategy, we feel value pricing devalues the product in the consumer's mind."

COMPLICATIONS. The number-three chain, Hardee's Food Systems, Rocky Mount, NC, has also been struggling to improve same-store sales and customer counts. Its efforts have been complicated by the absorption of 648 Roy Rogers units acquired in early 1990.

To date, 400 Roy Rogers have been



Arby's acquired the Daddy-O's concept as an alternative expansion vehicle.

converted to Hardee's restaurants and 600 Hardee's have added Roy's fried chicken to their menu. Eventually all will serve it. On the plus side, the acquisition has given the Imasco Ltd. subsidiary significant penetration in regions where it had been under-represented, Oakes comments. However, the conversions have caused customer confusion and Hardee's has struggled to retain Roy Rogers' patrons.

In 1990, the company suffered a disappointing 42% drop in operating earnings. The value pricing wars and heightened competition contributed to further drops in earnings and same-store sales in the first three quarters of '91. During the course of the year, the firm has made progress in reducing costs and seems to have stemmed the dramatic downturn in earnings. The need to improve restaurant sales, however, remains a priority.

Among its strengths, Hardee's maintains an edge at breakfast, leading the segment in that daypart's percentage of total sales. The company hopes to win additional dinner business as well, par-

ticularly through its new fried chicken.

Hardee's also hopes to build sales with four deli subs, all priced under \$3, rolled out last fall. It is too early to predict if the line will become a permanent feature, says public relations director Jerry Singer. The company also continues to test a reduced-fat burger. Introduced last April as "The Lean 1," the product has been reformulated and is now being served in 400 units as the "Real Lean Deluxe."

GOOD PERFORMANCE. The only hamburger chain of the top four that appears delighted with recent performance is Wendy's International Inc., Dublin, OH. Wendy's earnings rose 26.3% in the third quarter of 1991, marking its highest quarterly earnings in five years and its sixth straight quarter of year-to-year earnings gains. Restaurant operating margins rose to 13.7% compared to 12.7% in the third quarter of 1990. Average sales per domestic company unit rose 5.6% for the first three quarters of '91 compared to the same period the prior year.

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The company also increased customer traffic 5.3% in the first nine months of 1991 and expanded market share. Major contributors to its success, management says, were its ad campaign starring founder Dave Thomas and its Super Value Menu, which consists of at least seven products plus options, all priced at 99¢.

Wendy's plans to continue the Super Value Menu for the foreseeable future. "We believe very strongly in the 99¢ price point," Charles Rath, executive vice president, marketing, says.

While the 99¢ menu attracts price-conscious consumers, Wendy's is also working the other end of the spectrum with a number of premium specialty sandwiches. In 1991, they included a popular grilled chicken sandwich, Dave's Deluxe—a quarter-pound hamburger with cheddar, bacon, and sautéed onions, and a chicken cordon bleu with Swiss cheese.

DINNER TRADE. Like the other hamburger chains, Wendy's is eyeing the dinner market for greater opportunity. Because evening trade often includes larger parties, the company believes its variety can be a big pull. In addition to its Super Value assortment and specialty sandwiches, customers can choose the Super Bar buffet, which includes pasta and Mexican items as well as salads, Rath points out.

The chain's main weakness now, management says, is lack of distribution, with about 3,800 restaurants worldwide, about 3,500 of those in the U.S. The company plans to remedy this through an aggressive expansion drive aimed at building its system to 5,000 units by 1995.

A number of other hamburger chains have found success by concentrating on



Carl's Jr. adds spice to its menu with a Santa Fe chicken sandwich.

more limited geographic territories, demographics, or menu.

Sonic Industries Inc., Oklahoma City, which operates a chain of '50s-style drive-ins, attributes its recent strong performance to its focus on well-defined geographic and menu niches.

"We know what we're not," says chairman C. Stephen Lynn. "We're not a national chain, we're not in the healthful food industry, and we're not getting caught in the trap of menu proliferation." Sonic's offerings include burgers, hot dogs, steak and fish sandwiches, onion rings, french fries, tater tots, drinks, and ice cream. There is also room on the menu for two or three specials geared to local preferences.

Sonic operates 1,100 units in 22 Sunbelt states. By keeping expansion focused solely in that region, it aims to become the No. 2 hamburger chain in the South by 1995.

Another company with a very different, but similarly well-defined identity is Foodmaker Inc.'s Jack in the Box, San Diego. It has carved out a niche as an adult-oriented fast-food concept, says executive vice president of marketing Mo Iqbal. Since shifting its positioning from the parent-with-child market to the adult upscale consumer in 1980, its name no longer identifies it

with the child's toy so much as it conjures up associations of surprise—to emphasize that "There's always something new and exciting at Jack in the Box," Iqbal explains.

The chain was a pioneer in the kind of rapid development and deployment of new products that is now being seen in other burger chains. Innovations include an Old Fashioned Patty Melt—a quarter-pounder with two kinds of cheese, bacon, and grilled onions on grilled rye bread; a steak fajita melt; pastrami melt; seasoned curly fries; a chicken and mushroom sandwich; and sourdough breakfast sandwich.

Jack in the Box aims for offerings that are unique, and perceived as "a notch or two above" the fare served at most fast-food restaurants, Iqbal adds.

The fifth-largest hamburger chain, Jack in the Box operates in a dozen Western and Southwestern states stretching from Hawaii east to Missouri and Louisiana. The company ventured into the international arena in 1991, opening two restaurants in Hong Kong and one just over the border from headquarters in Tijuana, Mexico. Four more are expected to open in Tijuana and Mexicali in 1992, and in additional Mexican cities soon after.

Jack in the Box added 60-plus units

Low-fat burgers

cash in on

the health boom.

in all in '91, bringing its total to over 1,100. Close to 70 openings are planned this year. Systemwide sales in 1991 passed the \$1 billion mark.

REGIONAL SCOPE. Next-ranked Carl's Jr., owned by Carl Karcher Enterprises (CKE) Inc., Anaheim, CA, is another Western regional, but with a smaller scope. It operates in just four states: California, Arizona, Nevada, and Oregon. The company plans significant expansion in the Northwest over the next five years, but presently 80% of its units are in California.

"Our units and menu tend to be a little more upscale than most of the segment, and we're not playing the price wars," comments spokesperson Pat Parks. "Our restaurants have salad bars, and the interiors are a little more comfortable than most other chains."

Eat-in business plays a bigger part for Carl's Jr. than for most other hamburger chains, contributing 60% of sales. The chain's average annual unit volume of \$1.1 million is also on the segment's high side.

CKE had close to 620 units at the end of '91 including 11 outside the U.S. International development is relatively new and starting to heat up.

Domestically, the chain increased its percentage of franchised stores to 30% by selling some company units to franchisees and concentrating development efforts on the franchise side. CKE plans to increase the proportion to 40%.

Carl's Jr. added some spicy items to its menu last year including a Santa Fe chicken sandwich and Southwest-style cheeseburger, followed by a teriyaki chicken sandwich. It also serves baked potato entrees and as part of its 50th anniversary celebration,

reintroduced hot dogs and chili dogs last year.

Another company celebrating a milestone in 1991 was White Castle Systems Inc., Columbus, OH. In honor of its 70th year, White Castle offered a 70¢ value menu during the first quarter featuring items like double cheeseburgers and chicken sandwiches.

VALUE PIONEER. While other chains have popularized the term "value pricing," White Castle lays some claim to pioneering the concept. For years it has offered some of the lowest price points in the segment. Its signature small, square hamburgers, for example, are still priced in the mid-30¢ range.

"No one else can match that price except on a limited-time basis, while we offer great prices on hamburgers, fries, and drinks every day," says director of marketing Charles Thomas. White

Castle burgers also have a distinctive flavor profile and texture from being steam-grilled with onions.

The chain is generally sticking with its conservative approach to menu expansion, Thomas adds. A breakfast sandwich added in 1990 was one of its few chainwide rollouts in years. The only one since is a cinnamon roll, which will probably go systemwide soon.

White Castle's stores are 100% company-owned except for a few licensed units in the Caribbean and Malaysia. It had 256 units at the end of '91 and projects opening about 10 to 15 per year. Systemwide sales last year climbed to over \$305 million. Despite its limited menu, average annual unit volume is near \$1.3 million—the segment's highest except for McDonald's.

A little further south, Chattanooga, TN-based Krystal Co. has followed a path similar to White Castle in many ways, but is now orienting its growth in a different direction. Like White Castle, Krystal's signature is a miniature burger—weighing less than 1 oz.—which is grilled along with the bun on a bed of onions under a steam hood. A typical order includes three to five Krystals, says vice president of marketing Tom Whitley. Customers can also order double-Krystals stacked two high.

Krystal's 232 full-service restaurants are open 24 hours a day. They serve full-size traditional burgers

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and offer full breakfast menus.

It embarked on a new direction in 1990, however, with the debut of its Krystal Kwik double-drive-thru, which will become its main growth vehicle, says Whitley. In conjunction, Krystal launched its first franchising drive. Krystal will continue some expansion of its full-service stores, but drive-thrus will account for 80% of new openings in the next few years. Franchising will also be limited primarily to the drive-thrus, because they are easier to run, Whitley says. Nine franchised Krystal Kwiks are now open. The chain expects to add 20 to 30 more in 1992, plus two company-owned units.

The drive-thrus offer a scaled-down menu. Systemwide sales topped \$200 million in '91. Krystal's full-size units average \$920,000 annual sales, Whitley adds, while double-drive-thrus do about 70% of that figure.

DOUBLE POTENTIAL. The great potential that exists for double-drive-thrus is evident from the growth of Louisville, KY-based Rally's Inc., which placed third in *RB's* Top 50 Growth Chains in 1991. Rally's had more than 325 units

open at the end of 1991, just under two-thirds of them franchised.

Its growth was accelerated through the acquisition of two other chains, Snapps and Maxie's, with 42 and 18 units respectively. Most have already been converted to Rally's. Further acquisitions remain a possibility, says Bruce Ley, executive vice president, marketing. Without any, the company expects to open 95 units in '92.

Rally's operates in 22 states and its main objective is to increase its concentration. "We would like to grow to 500 stores in those same states," Ley says. "Marketing clout is very important."

The company narrowed its menu focus under the new leadership of chairman and CEO Burt Sugarman and president and COO Wayne Albritton, who took the helm early last year. "We've gone back to our roots, streamlining the menu for faster service and emphasizing low prices," Ley observes. Rally's reduced the number of different sizes and deleted hot dogs, chili dogs, chili, and BLTs, but added a new soft taco. Its value emphasis is apparent in its combo offer, Ley adds—a hamburger, fries, and drink for \$1.97.

Drive-thru-onlies

**fill a need for
speedy service.**

With only about 800 double-drive-thrus now operating nationwide compared to tens of thousands of other hamburger restaurants, Rally's feels the segment is wide open for growth.

Arby's Inc., Miami, which built its success as an alternative to hamburgers, is also convinced of the potential for double-drive-thrus. It bought fledgling chain Daddy-O's from G.D. Ritz's in late 1990 and will expand the hamburger drive-thru concept through franchised and company growth.

Late last year Arby's had six units open and six franchisees signed. It hopes to open 25 stores in 1992 and eventually expand the chain at a rate of 100 stores per year, says Gaylon Smith, senior vice president of Arby's franchise group.

Daddy-O's features a '50s look and flame-broiled burgers plus a more extensive menu of other items than most other double-drive-thrus. Included are fish and chicken sandwiches, hot dogs, burritos, and a unique quarter-pound grilled bologna sandwich. The concept provides a new expansion route for franchisees who have maxed out their territories with the original Arby's Restaurant concept, Smith says.

STRAIGHTFORWARD. Central Park USA Inc., Chattanooga, TN, which claims to have originated the double-drive-thru format in 1982, is perhaps the only chain that has stuck consistently with the original limited-menu, no-frills version of the concept.

"We're very focused, very straightforward. We sell just hamburgers, french fries, and soft drinks," says president Bobby Davenport Jr. "We're also strictly drive-thru service." This approach has allowed the chain to keep



Juicy Lucy's claims to offer a more upscale product than most drive-thrus.

both menu prices and store development costs at rock bottom, he says. The chain's quarter-pound burgers sell for just 89¢, and the investment to open a unit ranges from \$160,000 to \$220,000.

Central Park operated close to 80 units, mainly franchised, at the end of last year and expects to average about one new opening per month in '92. The stores are located in a 10-state area in the Southeast except for six in Salt Lake City. Those could eventually form the nucleus for a western expansion, says Davenport.

Zipps Drive-Thru, St. Louis, which opened in 1987, has also kept its system simple but not quite as limited as Central Park. In addition to hamburgers and one size of fries, it sells chicken sandwiches and chili, but is unlikely to expand the menu further, says president Bob Gontram. Zipps operates about 50 units in several Midwestern cities and Memphis, TN.

Growth for Nashville-based Beefy's Inc., another double-drive-thru, was nearly static in 1991 due to the tough environment for franchise financing, says franchising director Ed Griswold. However, the company expects to get back on track in 1992 with 30 openings that would double its system. Beefy's stores dot far-flung markets from Tucson, AZ, to Rochester, NY, and Pittsburgh, but its largest concentration is in the Southeast. Its menu is on the broader side. Beefy's also offers a kid's meal.

In business eight years, Beefy's plans to expand nationwide, Griswold adds. "We believe a lot of the double-drive-thrus will get washed out of the market in the next few years. We think we'll be one of the survivors."

Perhaps the most unusual double-drive-thru operating today is Juicy Lucy's, which opened in Fort Myers, FL, in 1988. Headed by CEO Robert Massie, founder of Minneapolis-based Country Kitchen, and president Suzanne Grady, also late of that chain, Juicy Lucy's features loosely hand-patted burgers and a wide variety of other fresh, home-cooked foods including



Rally's is streamlining for even faster service and emphasizing value.

barbecued pork and breaded pork loin sandwiches, hot ham and cheese, and a BLT. Despite its upscale approach to the double-drive-thru concept, its quarter-pound burger sells for just 99¢, and its most expensive sandwich, a hand-cut and breaded chicken breast, is \$1.99. The stores also offer an extensive breakfast menu.

The founders feel their concept appeals to a broader market of consumers who are bored by the limited selections of most drive-thrus and like the high-quality approach. Although its 1,000-sq.-ft. buildings are larger than other drive-thrus, and labor is more extensive, she points out that the chain can still retail its products for less than the major hamburger chains.

Juicy Lucy's began franchising in late 1990 and had 10 units open or under construction by late '91. It expects to add at least 15 more in 1992.

GOURMET BURGERS. While gourmet burgers are a staple at many midprice casual restaurants, only one national chain specializes in them. Fuddrucker's, owned by DAKA International Inc., Wakefield, MA, positions itself as "the home of the world's greatest hamburg-

er," says director of corporate communications Joanne Killeen. The chain grinds its meat from beef cut fresh daily and bakes buns, along with brownies and cookies, fresh daily in each store. Everything is cooked to order.

Fuddrucker's also features chicken, steak, and fish sandwiches, fresh-made soups, soft tacos, and chicken wings, but hamburgers account for over 65% of sales. Checks average \$6.35. Annual unit volumes average \$1.4 million.

"We feel we're as much a part of the casual midscale segment as the hamburger segment," Killeen says. The chain operates 134 restaurants in 29 states and about a dozen locations outside the U.S. It expects to open 10 stores in 1992.

At one time, the gourmet hamburger subsegment was touted as the niche of the future. That boom was a bust. The double-drive-thru subsegment may be more viable as it fills the consumer need for truly low-cost burgers that are fast and convenient. Meanwhile, the burger giants will continue to slug it out with menu expansion and value pricing, aiming for greater market share both here and abroad.

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A BILL PUBLICATION

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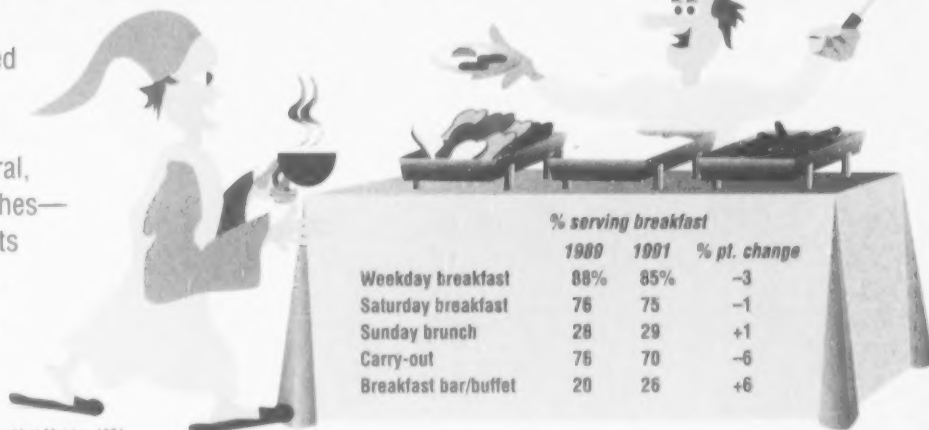
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BUSINESS BAROMETER

Brunches, Buffets Perk Up Breakfast Segment

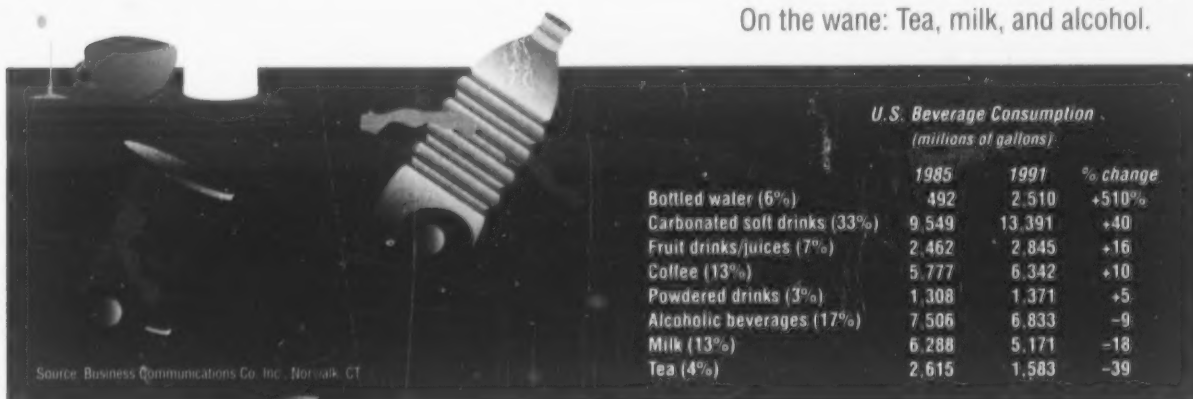
While breakfasts served by a cross-section of restaurant operators show a downward spiral, specialty breakfast niches—mainly breakfast buffets and Sunday brunches—are on the upswing.



Source: RBI Foodservice Research Center Breakfast Monitor, 1991

Beverages of Choice: Bottled Water, Soft Drinks, Fruit Juices

Bottled water is the fastest growing beverage category, followed by soft drinks and fruit drinks and juices. On the wane: Tea, milk, and alcohol.



Source: Business Communications Co. Inc., Norwalk, CT

Restaurants and Recycling: Definite Gains

Tables-service restaurants with sales of more than \$500,000 have substantially stepped up their recycling efforts in the last year. Smaller operators were more previously involved so their recycling increases were not as dramatic.

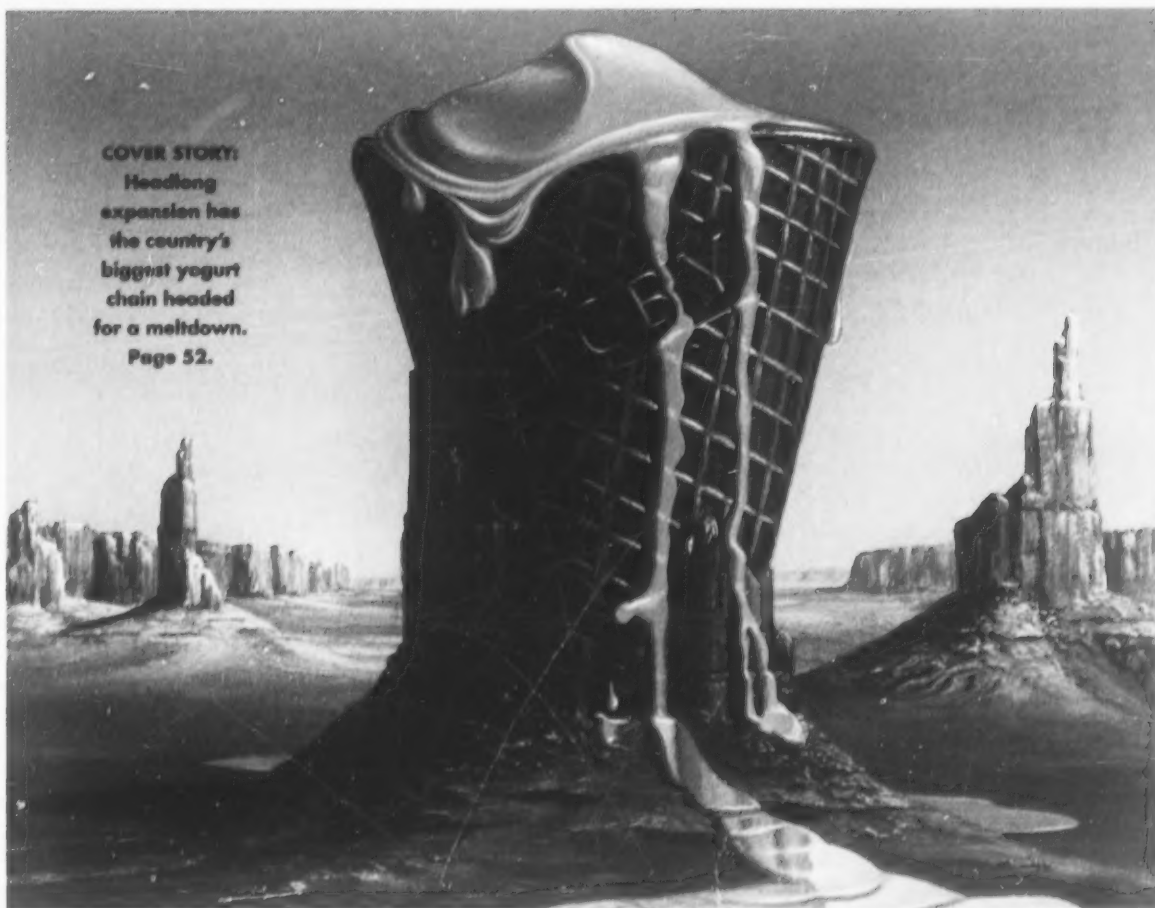


Charts by Peter K. Nickberg

Source: National Restaurant Association

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Cover illustration by Bob Peters

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MARKET SEGMENT REPORT SUPERMARKETS. With increasing amounts of innovative prepared foods and sitdown delis, supermarkets continue to make inroads on foodservice. They're a segment to watch; it's easier for supermarket operators to add full-service than restaurateurs might think.

MENU IDEAS BEEF. Big portions are popular, but so are little ones. Consumers want as many options as possible, so anything goes with beef entrees these days.

DRAFTS, CARAFES WISE WINE PRICING. In the matter of wine pricing, operators must walk a tightrope between overvaluing the product and selling it short. *RB* examines case histories of operators with successful wine pricing strategies.

SPECIAL REPORT WORKERS COMP. The high cost of workers comp. has become a debilitating budget problem. Operators need to take the necessary precautions to make sure their establishments are safe places to work. Implementing safety guidelines and using common sense are just two ways to ensure fewer lawsuits.



TEST KITCHEN:
Kid stuff, p. 75.

Make A Small Fortune



HOW DO YOU MAKE A SMALL FORTUNE? Start with a large fortune and get into the restaurant business, goes the old joke. True, but not very funny, say an increasing number of franchisees.

Walter Perry, who bought into the TCBY system in 1989, managed to make a small fortune nonexistent (see cover story by Keith Dunnivant, p. 52). Perry says he had help. He says TCBY lied to him about sales projections, and he's suing them for fraud.

Regardless of how the court settles the case, franchisees are saying that TCBY is guilty of trying to grow at their expense. By opening units at \$25,000 a pop, plus selling product, equipment, and financing at a premium, the Hickingbothams set up a revenue torrent that drowned out a lot of worries. Unit volumes down? Competition moving in? Open more stores, open more stores. Don't close the floodgates yet—the water will come from somewhere. It didn't.

You could charge, as Perry does, that TCBY was intentionally built as a house of cards if only the Hickingbothams had had enough sense to get out at the top. As it is, Frank Hickingbotham saw his own stock devalued by \$140 million. Talk about making a fortune small.

The Perrys of TCBY aren't the only franchise community up in arms. The Association of Kentucky Fried Chicken Franchisees Inc. is suing PepsiCo "over its heavy-handed and dictatorial attempts to change franchise agreements unilaterally," says president William Allen. "The KFC system was built on a partnership between the company and franchisees. That partnership no longer exists."

Where's the rub? It's in trying to decide whether 'tis nobler in the mind for franchisees to make money, or their corporate parents instead. Partnerships, it seems, are tougher to forge when customers are dining on company profits. Companies that don't respond are shortchanging franchisees through inaction (à la TCBY). Companies that do respond often ask them to ante up out of their own profits. Times have changed since Ray Kroc got rich by enriching franchisees.

Not that franchisees are averse to investing in their own future, mind you. If they did, they wouldn't be franchisees. They want more say, and who can blame them? More to the point, who can ignore them, as their swollen ranks enhance their leverage?

Can partnership be restored in 1992, or will the recession mean franchise relations will chafe until raw? We'll get back to you.

Scott Allmendinger
Editor



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MONEY IN THE BANK

NOT ON THE SHELF

Cost-control is about as important to a restaurant owner as what's on the menu tonight. So it's somewhat surprising how few operators—especially independent ones—use technology to help bolster their bottom line. Only 38% of restaurants with sales of \$500,000 or less annually use personal computers, according to the National Restaurant Association. In contrast, 75% of those with \$1 million in sales or more do use them.

More surprising still is how little the technology costs. For not much more than the price of a new mixer or steamer—about \$3,000 can buy a pretty good PC and software—all but the most cash-strapped restaurateurs can be up and running on a cost-control system *designed* to make them more money.

Computerized inventory control is the key. And it means more than just tracking what's on the shelves. It offers food cost analysis, guards against overordering, and tells you what's selling and what's not. In short, it provides the edge you need to boost profitability.

"If I was running under the old manual system, I might not have made it," says Ken Leveille, president of My Brother's Pub, a 125-seat independent restaurant in Pawtucket, RI, with sales of about \$500,000 a year. "I wouldn't know where to cut and what to cut."

Leveille admits to a twinge of computerphobia when he first began using a computerized inventory control program back in 1990. He started with liquor operations to learn how a software package could deal with about 100 items. Leveille pulled sales information from the \$29,000 computerized POS terminals he'd installed in 1988 and manually typed the data into the computer. "At first, it was an aggravation. I did inventory on Sunday night and spent Monday morning entering the information into the computer," he explains. "But once I entered the inventory, the information was amazing. I was flabbergasted at how wonderfully the program performed inventory control."

Armed with hard information, Leveille soon discovered that he had almost twice as much inventory as the pub needed. "Normally, I stocked \$9,000 worth of liquor inventory," he recalls. "After looking at the numbers on the computer, I cut it down to \$5,000. I can play it real close now. I mean, it's easy to order too much, but the sign of a good manager is running at a bare minimum."

continued on page 68

BY RUSS LOCKWOOD



IBM's Touchscreen Order Entry Systems

It's the end of the month. You've just gone over your figures for the third time and they refuse to budge. You're thinking, "there must be a way to speed up customer service, slice labor costs and carve out more profits."

There is. In fact, it can all be accomplished with the touch of a finger.

No, we're not suggesting magic. We're suggesting IBM's family of restaurant point-of-sale solutions: IBM's new customer order entry touchscreen display, the companion touchscreen terminal, a traditional preset keyboard and a portable hand-held order entry unit.

You'll find them as easy to use as they are to train people on. Once in place, they can help you set new speed records for bringing new employees up to speed.

Take IBM's touchscreen, for instance. Now, you'll be able to present your menu on the advanced LCD touchscreen display and change it anytime you want, instantly.

Your customers will be able to preview your menu and order by themselves.



simply by touching the display. To make things even easier, you can use icons, or pictures, to represent menu items. Each order then goes directly into your kitchen. So whether your customers are inside or driving through, you'll be able to serve them considerably faster.

What that means is, not only will you be able to keep your customers more satisfied,

You'll be able to satisfy more customers.

The benefits don't stop there, though. They continue into your back office, where every order is captured in your computer. Including what was ordered, what time it was ordered and what the total was. All very valuable information.

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The IBM logo, consisting of the letters "IBM" in a bold, sans-serif font, with horizontal stripes through the letters.



Gebhardt put an extra \$50,000 of inventory to work for Cattlemen's Restaurants.

As Leveille discovered, gut instincts alone can't fight a recession. A number-crunching computer is an efficient weapon to slash costs and battle narrowing margins. A setup can be as simple as a personal computer in the back office or as elaborate as a network of computers and POS terminals stretching between dining room, bar, kitchen, and office.

BASIC TOOLS. For the small independent restaurateur, a personal computer and inexpensive software make sense. If you already own a PC with a hard drive, then you've got the basic tools. If not, a capable PC (at least a 286 system with 1MB of memory and an 80MB hard drive is recommended) is available in specialty stores, mass retailers, and by mail-order for under \$1,500. Add \$250 for a 24-pin dot matrix printer and you're all set.

Software costs range from \$1,500 to \$15,000. The more expensive programs automate tasks to a greater extent and add features, for example, nutrition analysis, general ledger accounting, redefined recipes, catering scheduling, multi-location inventory, and central commissary management. The smaller the restaurant, the lesser the need for such bells and whistles. The larger the business and the more locations, the greater the need for more features.

Some vendors offer an all-in-one package. This may increase your upfront cost, but it also gives you an entire set of tools. Other vendors offer a series of individual, interlocking modules. You pick what you want and can afford, and add modules whenever you gain the cash and confidence to further computerize your operations.

At the simplest level, inventory control programs give you a precise count of what's on the back room shelves. When you receive a delivery, you type in the invoice information—the better programs even keep track of the suppliers. When tracking inventory for requisitions, you type in what's been used already. All programs distinguish between pounds, ounces, bottles, cans, and other units of measure. You can even add in labor costs.

The programs also allow you to separate out batches and other processing. For example, a quantity of meat can be distributed among a number of entrees or the ingredients needed to create a vat of sauce can also be tracked.

It's not automatic or foolproof. Accuracy depends on the recipe data, which means you must enter all ingredients used in your recipes. When you sell a menu item, the program cannot keep accurate track of inventory unless it knows the ingredients.

As you use the program and practice inventory control, you'll find the need for less stock on the shelves. With perishables, that reduces spoilage. With other items, it means less cash outlay for stocking shelves and more cash in the bank.

Jeff Gebhardt, director of management information systems for Cattlemen's Restaurants, a 10-unit chain based in Santa Rosa, CA, found such savings. After instituting a computerized inventory control system at the headquarters commissary, he was able to pare food and liquor inventories by about 13%. That meant putting about \$50,000 to work instead of languishing on the shelves.

In addition, the physical inventory process was reduced from three days to one because all the information was available before setting foot in the warehouse. Cattlemen's was also able to reduce its commissary staff by one full-time warehouse worker and one part-time accounting assistant, piling up another \$40,000 in yearly savings. "We brought in inventory management software to allow ready access to information on a timely basis at the stores and headquarters," says Gebhardt. "That's what we got."

The combination of recipes and invoice information also provides another tangible benefit—actual food costs. Experienced chefs can estimate entree costs reasonably well. But, with all the collateral data on-line, you can calculate the cost to the penny—including hard-to-estimate items such as spices.

used to price by gut feeling," says Michael Stemmer, manager of the 80-seat 16th Street Bar and Grill in Philadelphia. "Now, I chart my food costs and get precise numbers. I get profitability statements on a daily basis at a touch of my finger."

Still a computer novice, Stemmer is already seeing results from the system. He's found that computerizing the recipe and inventory process keeps food costs to 27.2% of the price of its Mediterranean cuisine, helping the \$1.3 million-a-year restaurant stay on sound financial footing. "I don't want to tag a dollar amount to the savings, but I'm more aware of prices for chicken, pasta, and even cleaning solutions," says Stemmer. "It helps with menu prices and catches pricing mistakes up front."

continued on page 70

It's information I didn't have before."

This adds up to profits. If you get a handle on costs, you can set your prices accordingly. Along the way, you'll discover menu items that don't offer a suitable return. Then, you decide whether to raise prices or trim portions—something you can experiment with to find a happy medium. You can also model "what-if" scenarios.

THE CATCH. Is there a downside? You bet. It's called discipline. The maxim "garbage in-garbage out" goes double for computers, only it might better be described as "nothing in-nothing out." If you don't keep up with changes in inventory, such as entering invoices, product cost, and daily sales, then you won't gain the full benefits.

Recipes take the longest time because most restaurants don't have them written down. If you can't precisely state the ingredients used, your

programs offer an automatic polling function that sends the day's sales—as rung up on POS terminals—directly to the computer. Not only will this save data entry time, but it will also eliminate typos. "It's my last big step," Leveille says of the \$1,500 cost for the software and cabling. "But with tough economic times, it's tough to justify."

As with any new product, give yourself and your employees time to study and understand it. Although learning the rudiments takes an afternoon, mastering it will take a couple of months.

"Not everybody's a rocket scientist," cautions Philip Mantas, manager of the 450-seat Ponzio's Restaurant and Bake Shoppe in Cherry Hill, N.J. Although the inventory control software is in place, the computer is used mainly for payroll and general ledger accounting at this restaurant with \$1.3 million in sales. "We just don't have the time to

devote to administrative things. We'll continue to do inventory manually, although we can see the advantages in menu costing and tying in the computer to POS terminals," he adds.

And training time is important. Gebhardt ran the training at the individual restaura-

nts when he rolled out the computerized inventory programs. "Initially, we separated out the half-dozen essentials, such as invoices, sales, and day-to-day inventory tracking," he details. "Actual training took four days per location, with the manager, assistant manager, and bookkeeper present."

"Many of them had no previous experience with computers and some bordered on the computerphobic, but as they grew comfortable with the program, they made good use of it," Gebhardt relates. It took about six months of use to become proficient with the software and take full advantage of the data-crunching capability to analyze day-to-day operations.

There are various training alternatives. Some companies send trainers to your restaurant. The benefit is that an expert walks you through the program.

But, the cost can be high. One company charges \$500 per day plus "reasonable" travel, lodging, and meal expenses.

The best way to learn is by doing. So, often you'd be better off using the program daily and making a telephone call to technical support if you're stuck on a particular feature.

Some software can be programmed to nag you into efficiency. When the program hits a predetermined minimum, it will prompt you to reorder, usually listing the supplier as well. The program provides either an established purchase price or a bid price per item, lists the number of items, calculates the total price, and assigns a purchase-order number. Some programs even print out the purchase order.

With that kind of information, ordering is swift and easy. "I do all my ordering through my inventory report," explains Leveille. "I use another program to store supplier names and phone numbers. Within an hour, I'm done for the week."

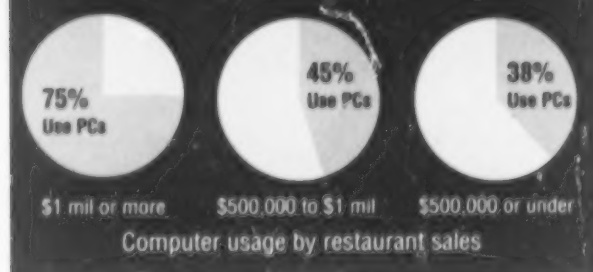
Better yet, you can track prices and orders, building up a data base of purchases showing item pricing by supplier and time. With this hard data on general prices, seasonal prices, significant price increases, and supplier bid prices, you can select the best buys, anticipate increased and decreased cash flow, and catch supplier errors. Supplemented with sales information, you can see the mix of menu item sales showing the contribution of each meal to your dollar volume and how price changes can turn low-profit items into high-profit or no-profit items. That's the sort of bottom-line information you need to stay competitive and profitable.

"The economy still isn't great and the outlook is not wonderful," warns Cattleman's Gebhardt. "There comes a time when costs can't be passed along to the customer. Some cost control element must be put in place."

That element is a computerized system. With hard data in hand, you can balance inventory, food costs, and cash flow with greater accuracy and speed than by eyeballing the shelves and cash register. It does demand an investment in hardware, software, and time, but the reward is controlling costs, spotting pricing and sales trends, and putting money in the bank. **REB**

COMPUTERPHOBIC

Small-time operators shy away from automation



calculations for food costs and inventory levels are also going to be flawed. According to Gebhardt of Cattleman's, entering several hundred recipes required approximately 120 man-hours. The 16th Street Bar and Grill's Stemmer reports 200 different recipes needed about 30 hours of data entry.

"Initially, it's a lot of legwork and takes a lot of time," Stemmer relates. "Our chef still hasn't included everything, particularly the batch recipes."

But you're not through yet. The data must be updated on a weekly, preferably daily, basis—including every pinch of spice. Stemmer says data updating takes an assistant about an hour and a half per day. Leveille from My Brother's Pub notes it takes him about 45 minutes per day to update his 700-item inventory.

There is an easier way to do it. Some

CRB

RESTAURANT BUSINESS

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FOOD AND BEVERAGE

MENU IDEAS BEEF. Despite increased consumer concern about fat and cholesterol, 84% of all commercial operations report serving beef, up 8% from 1988. Americans still have a taste for meat, but they are satisfying it in a variety of ways, from garnish-size bites enhancing vegetables and starches to dinosaur-sized steaks with all the trimmings 83

PRO'S PANTRY FLOUR. The basic ingredient of nearly all baked goods, flour is the key to good crumb 91

CHEF'S ART STAN FRANKENTHALER. At the Blue Room in Cambridge, Mass., a "consortium of ideas" manifests itself in dishes like peanut-crusted tuna steak with Indonesian catsup 94

PIECE MEAL BURRITOS. This Mexican finger food is becoming the darling of operators who want to offer their customers a mix-and-match dish that can be assembled quickly from preprepped ingredients 99

DRAFTS, CARAFES & SPIRITS WISE WINE PRICING. Customers are wise to retail wine prices, so it's no time to be suspected of price gouging. Yet operators need a good profit margin on beverages to balance the losses they're taking elsewhere 151

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IN THE NEXT ISSUE

COVER STORY THE FAMILY BUSINESS. Taking on the family business can be a richly rewarding experience—or a disaster. This article takes an intimate look at one family owned business to discover the priorities, pitfalls, and possibilities.

MARKET SEGMENT REPORT BREAKFAST. The rapid growth in this daypart of the early '80s has slowed as most of the major players have breakfast firmly ensconced on menu boards. And, any remaining breakfast-only concepts have broadened selections to target other dayparts.

INDEPENDENT STAR MOTHER'S. This old-fashioned New Orleans dive turns out great biscuits and gravy, oyster po'boys, and muffelata sandwiches. Find out how chef/owner Jerry Amato keeps tourists and locals lining up around the block for his traditional food.

DRAFTS, CARAFES BUILDING TRAFFIC. Consumer concerns about health and DWI are making it more difficult than ever to boost alcohol sales. But the right mix of promotions, quality drinks, and nonalcoholic alternatives can still produce profits.



TEST KITCHEN:
Beef, p. 83.

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SUPERMARKETS

MARKET SEGMENT REPORT

Battered by a blistering, nationwide recession, confronting a demanding, price-conscious shopper, and facing new competition from "super-stores," traditional grocery stores are taking a hard look at their commitment to foodservice while seeking new ways to ring up ever-higher returns from existing prepared food and deli operations. The phenomenal growth in new foodservice operations within stores that marked the supermarket business in the '80s appears to have slowed—for now.

But, as supermarkets take stock of their commitment to foodservice, the picture is mixed. While certain "leading edge" grocery stores such as Price Chopper of Kansas City, Mo., and Los Angeles' Gelson's remain fully dedicated to prepared foods and are even adding sit-down restaurants as they expand their operations, other chains, such as 80-unit Marsh Supermarkets Inc. of Yorktown, Ind., are taking a more conservative approach to foodservice and are stopping to see if the promised profits from prepared foods are really materializing. And some grocery stores, such as Sutton Place Gourmet of Rockville, Md., and Randall's of Houston, which have built a strong reputation as providers of restaurant-quality foods for consumption at home, are re-doubling their efforts in the face of stiff competition from restaurants, other grocers, and the ever-expanding take-out and home-delivery market.

Sales of hot and cold prepared foods in supermarket delis were \$4.7 billion in 1990, which was up 22% from 1989 figures, according to *Supermarket Business* magazine, an industry trade publication. However, market analysts and consultants don't expect 1991 results to be anything like that.

And delis remain an integral part of the competitive mix: in the average grocery store, in-store delis account for about 3% of sales, while bakeries add another 1%.

continued on page 134

The pace of deli expansion has slowed—for now.

By Kevin Farrell

Wawa is committed to foodservice.

Last year the grocery chain rang up prepared food sales of \$20 million.

Pictured: a grilled chicken sandwich.



SUPERMARKETS

MARKET COMMENT REPORT

But the incredible growth that delis enjoyed throughout the 1980s appears to be over, in part because so many stores have added delis that the growth totals are bound to decline. In 1990, the number of grocery stores with service delis increased by a fraction, and stores with self-service delis actually declined, according to *Progressive Grocer*, an industry trade magazine. Compare that to the 1980 to 1988 time frame, when the percentage of stores with delis skyrocketed to 71% from 42%.

The news is that many grocery stores openly acknowledge that they are in competition with restaurants for the food-away-from-home dollar. "Everyone is legitimate competition," says Brian Sales, director of foodservice for 22-unit Ukrop's

Supermarkets Inc. of Richmond, Va. Ukrop's has redoubled its efforts in prepared foods, and now offers a 60-item menu that consumers can sample at home or in six of the stores that offer seating. "In prepared foods, we compete with the restaurants. But we are not at war with the restaurant business," says Sales. "We're responding to our customers."

War or not, in the last decade, grocery stores have begun to compete more aggressively with restaurants on the restaurant's traditional "turf" of high-quality, away-from-home meals. In the process, grocery stores that decided to get into the restaurant business—either through direct competition or with prepared foods from the deli and bakery departments—found themselves competing with the other departments of

Sales of prepared foods in groceries were \$4.7 billion.

their own stores. The lure, however, was strong: profit. "The reason for the popularity of delis in grocery stores is simple," says Scott Miller, director of prepared foods for Randall's Food Markets Inc. "It's profit. Prepared foods offer a higher gross profit margin than other departments."

Respondents to a *Progressive Grocer* survey indicated that in-store delis accounted for an average of 11% of profits in 1990. But a number of stores with extensive and well-merchandised deli programs report that prepared foods yield hefty 15% and even higher profit margins, compared to the 2% to 3% figures from more traditional grocery store departments. In fact, say some operators, some stores got into the habit of raking in profits from the deli department to make up for "loss-leader" meat departments.

"What's spearheading this thing is convenience. The customer has told us that he or she has less time to shop and prepare food, and we're responding to that need," says Dennis Pollock, deli purchasing manager for Wawa Inc., a 490-store chain based in Wawa, Penna.

Adds Carol Fensholt, associate publisher of *Supermarket Business* magazine: "The amount of time people have to prepare food at home continues to be less and less. When husband and wife both work, there is less interest in coming home, cooking, and cleaning up afterwards. They go somewhere, either a restaurant, a grocery store, or a take-out operation. Supermarkets with extensive prepared-foods departments have benefited, because people are in the store often, and supermarkets have gotten them used to the idea of buying higher-quality foods."

But the glory days may be over, as operators dig in to face a bruising econ-

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Sutton Place Gourmet is redoubling its efforts to provide restaurant-quality food.

SUPERMARKETS

MARKET REPORT



omy and increased competition. "The growth in prepared foods has leveled off because grocery stores are feeling the pinch of this recession, and because many of the stores that could add foodservice have already done so," adds Lee Dyer, editor of "Foodservice/Supermarkets," an insert in *Progressive Grocer*. "The deli business is nothing like it was in the '80s when it was jumping like crazy. On the whole, the grocery business is not even keeping up with inflation. They can't raise prices because of the economy, and they're being more careful about what they do with floor space in new stores."

One chain that has re-evaluated its commitment to foodservice is Marsh's. Last year, former corporate chef Marc Waltzer told *RB*: "If any chef wants to jump on a hot concept, supermarket foodservice is it." This year, Waltzer is out of his job at Marsh's, which is retrenching. Says Thomas Parker, vice president of operations: "All I will say is that we made a decision not to have a corporate chef at this time." Industry observers hint that Marsh's is re-evaluating its dedication to foodservice in light of decreased prepared-food department sales. Parker won't comment on that.

Clearly, the recession is taking a serious toll on supermarkets, and foodservice departments are feeling the pinch as well. Says Fensholt: "The supermar-

ket business thought it was recession-proof in the past. Consumers would defer the purchase of a new car or washing machine, but they would splurge on food. That isn't true this time. This recession is pervasive and destructive. That is very bad news for supermarkets."

But the recession and the glut of deli operations in grocery stores aren't the only problems supermarkets face when getting into the restaurant business. The availability of chefs who want to work in grocery stores is limited, food manufacturers still haven't gotten the knack of providing restaurant-quality ingredients to grocery stores, and the know-how to operate a successful prepared-foods department or restaurant is quite different from that required to run a successful grocery store.

As stores commit more fully to prepared foods, they are finding out how to do it right. "More and more stores are figuring out how to do foodservice," says Howard Solganik of Howard Solganik & Associates in Dayton, Ohio, a consulting firm.

Another threat is the growing presence of superstores, and the fact that discount stores like Kmart are now selling food products, although they aren't yet in the prepared foods business. "The consumer sees more and more choices for buying food to consume

in the home," adds Solganik.

One chain that has been particularly successful in this business is Sutton Place Gourmet, a five-unit chain with sales of \$39 million. Prepared foods now account for 15% to 22% of each store's sales volume. Four of the five stores have their own kitchens which prepare a wide range of gourmet-type foods for what senior vice president Ann Brody calls "a discriminating customer." Sutton Place offers traditional deli favorites such as roast beef and salads, but it also serves roast rack of lamb, salmon with citrus sauce, crab cakes, and Mexican specialties.

Says Brody: "We see ourselves as a high-option store. That is, the customer has every option: to buy fully-cooked meals, to purchase raw product to cook themselves, to buy a cooked entree and prepared side dishes on their own, or vice versa. We're trying to offer enough options so that they will always think of Sutton Place Gourmet first."

Another option that Sutton Place now provides is sit-down restaurants. The chain's Alexandria, Va. store has a seven-seat restaurant with patio, a suburban Baltimore location features a deli cafe with 80 seats, and the Bethesda, Md., unit boasts a 20-seat ice cream parlor. Now, Brody's department is concentrating on integrating more prepared foods into other store departments. For example, a customer in the fish department will find a stuffing for the fish or a Rockefeller topping for the oysters purchased there. "Our competition?," asks Brody rhetorically. "Anybody who sells prepared foods."

As supermarkets move ever closer to direct competition with restaurants by offering sit-down dining in stores, a number of them have expanded the square footage of prepared foods and deli departments in order to better accommodate diners. David F. Ball, store director for Ball's Hen House Price Chopper Corp. of Kansas City, reports that the chain's four Hen House units offer seating for 75. With a salad bar and an extensive menu that includes sandwiches, chicken, Italian entrees, and Oriental specialties, Hen House provides various options to the store's

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CHARTS BY SHARI TANG

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Schenectady, N.Y.-based Price Chopper's grocery stores feature coffee shops and snack bars.

shoppers. "Our customers have told us that this is what they want," says Ball. "A Hen House customer can assemble a whole meal here, take it home and re-

heat it, and can choose to buy side dishes or just an entree and prepare the sides at home. This is restaurant-quality food that can either be eaten in the store or at home."

Now, Hen House is taking an even bigger gamble on restaurants. This month, it will open the first "Supreme Court," a food court that will offer five kiosks featuring scaled-down menus from five well-known chains:

Chi-Chi's, Godfather's, Bennigan's, Ricky Shaw's, and Fifth & Grand. The new concept will be located in the chain's new Price Chopper and will

offer seating for 75. While Ball's company is the first to implement the Supreme Court, it is the brainchild of Victor Cascio of Victor Cascio & Associates, an Overland Park, Kan., consultant to the grocery store industry. "The chains license the names and know-how to the stores and receive a percentage of the gross in return. The grocery store gets the chains' strategies and the benefits of the advertising and the brand names," says Cascio.

Many in the industry are waiting to see how Ball's Price Chopper unit fares. "Call me in six months if you want to know if it lives up to expectations," says Ball, who declines to comment further on the court's sales—or profit—potential. "All I'll say is that we think this is *continued on page 144*

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SUPERMARKETS

MARKET COMMENT REPORT

the right way to go now," he adds.

Providing one-stop shopping is exactly what many grocery stores are trying to do in their emphasis on prepared foods, delis, and restaurants. "We want to keep the customer in the store," says Miller of Randall's. To that end, Randall's—with \$1 billion in 1991 sales—offers scratch-prepared take-out items as well as restaurant seating. "We really operate restaurants," says Miller. Randall's 44 units offer breakfast, lunch, and dinner in 90% of the locations. "We have emphasized quality and service," he adds, noting that the chain has actively sought and hired managers with restaurant experience. "The grocery business is quite different from the restaurant business, and what we like is a mix of people in the ranks. We take

people who have experience in on-site preparation of food and teach them the grocery business, while we get their expertise. Some stores even have executive chefs." Newer Randall's stores will feature an open-kitchen concept so customers can watch food being prepared. "Clearly, the market for restaurants in grocery stores is there if you do it correctly," adds Miller. "We have worked hard to build an eating-in business. We want customers to eat in the stores."

Price Chopper, the 77-store chain based in Schenectady, N.Y., is building a new group of stores, their "Supercenters," which will increase the chain's already significant emphasis on prepared foods and restaurant seating. "This is a very profitable

department that fits in with our customer's lifestyle," says Joanne Gage, director of consumer services for the chain.

The new Supercenters—25 are now in operation—feature expanded service departments, including a pharmacy, fresh seafood, flowers, and expanded foodservice. The chain has introduced an in-store pizza program that allows customers to buy a pie to eat there or to take home, where it takes 10 minutes to complete the baking. In addition, the chain has introduced a "Cook's Kitchen" line of take-out deli entrees in the Supercenters. Each day, 20 to 25 upscale hot and cold entrees, side dishes, salads, and desserts are prepared in the stores. Some of the chain's traditional supermarkets offer coffee shops and

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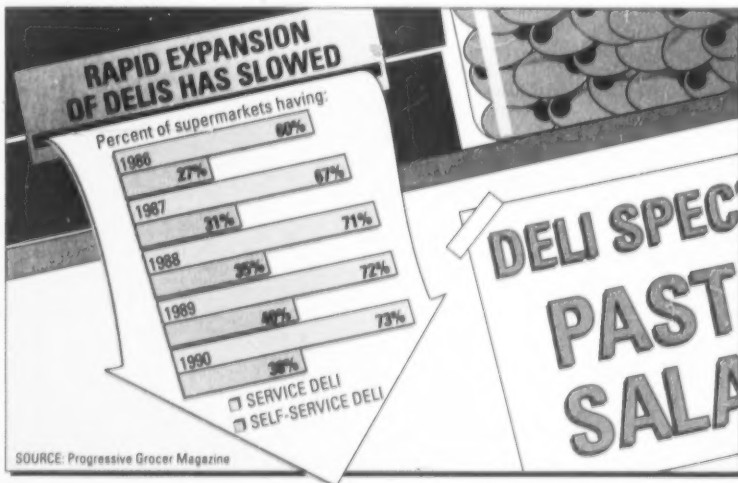
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snack bars in deli departments, where customers can select from a limited menu of short-order items. Concludes Gage, "The Supercenters are where we're headed. Because the profit margins are higher, building sales is important because of bottom-line impact."

But, getting into this business and doing well at it are two different things. "The grocery store executives are looking more closely at the productivity of space in their stores," says Jim Ducheck of Ducheck & Associates, a St. Louis consultant to the food industry. "Because of the recession, capital is getting harder to come by. And, frankly, in some stores, the level of prepared food profitability hasn't been there, so they're taking a second look."

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The difference seems to be commitment. "We have made the deli and the restaurants a prominent feature of our stores," says Paul McGillivray of Wellesley Hills, Mass.-based Roche Brothers Supermarkets, a nine-store chain that operates in Boston's suburbs. The chain inaugurated a food court in one store four years ago, featuring separate food stations within an expanded deli area. "We have merchandised it heavily to increase sales by setting it apart with separate signage. We created an identity for it," adds McGillivray. Including the deli and the foodservice operations, total sales hover near the 10% mark. "We are committed to this part of the business, and I think that makes a difference. This is the direction we're going in," he adds.

Echoes Pollock of Wawa: "We're committed to what it takes to be in this business. There are a lot of problems in the restaurant, deli, and prepared foods end of the business that grocers are uncomfortable with, such as the higher rate of spoilage, labor intensity, and prep time. But we have decided to emphasize this department. It gets the space, and we do significant in-store promotion." Wawa has heavily promoted its fast-food breakfast, a line of egg sandwiches served on bagels for 99¢ to \$1.69.

The chain has been innovative in other ways as well. In the last year, Wawa has gone to a bag-cooking plan that Pollock says has increased quality and consistency. Everything from soups to full-course entrees are cooked and then frozen using the new process with a re-

thermalizing steam table from which customers select their items. Last year the chain rang up prepared food sales of \$20 million.

The heated battle between grocery stores that offer strong foodservice programs is sure to continue, although it may be cooled by the current recession. Grocery stores will continue to offer more foodservice options to consumers because their advantages are significant. Among them: higher profit margins and the one-stop shopping strategy of keeping customers in stores. Restaurants will fight back by emphasizing their strong points: high quality food, service, and ambience. It is not a battle that is likely to be decided soon.

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My Way

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NEED TO SCRAP THE FAMILY

BUSINESS TO SAVE IT? 90

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SPECIAL REPORT FRANCHISING. The 27th Annual Franchising Report is new and improved. In addition to the standard data on sales and units of the Top 50 Franchise Systems (prepared by Technomic Inc.), there will be an exclusive, never before tabulated Restaurant Investment Summary, with information on: franchise fees; royalty and advertising fees; total investment costs; and sales/investment ratio.

SPECIAL REPORT MERGERS & ACQUISITIONS. The Merger & Acquisition Census, compiled by J.H. Chapman Group, Chicago, charts the significant trends in chain restaurant activity.

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RESTAURANT BUSINESS/MARCH 1, 1992



BREAKFAST

MARKET SEGMENT REPORT

Competition in the breakfast market segment continues to intensify. More and more players keep entering the daypart, battling established operators for a share of a pie that essentially is not increasing.

In this environment, restaurant chains that have traditionally enjoyed strong breakfast business are now reporting mixed results. Some operators see their opportunities for breakfast sales dwindling. In response, they are turning more of their attention to building other dayparts, ones that offer greater potential for growth. At the same time, other operators are considerably more optimistic.

Among the former camp is Jon Ostrov, vice president of marketing for Country Kitchen International, the 250-unit chain operated by Minneapolis-based Carlson Companies. "The sit-down, out-of-home breakfast is going to become less and less of a market for [Country Kitchen] to tap. We will always do well with breakfast on weekends, but the

number of people with the time who are prepared to come in during the week has probably stabilized or will decline.

"People are more harried these days," says Ostrov. "They'll grab a donut, buy fast food, or pick up a snack at a convenience store, but they don't have the time it takes nor the interest in a full sit-down breakfast. I think the breakfast market is going to flatten out or decline, except on weekends when people are more relaxed."

Similarly Roger Williams, group vice president of 258-unit Bob Evans Farms, based in Columbus, Ohio, observes that "The market is soft." He feels that all a chain like Bob Evans can do is battle for a portion.

"A company our size cannot appreciably change people's eating habits," Williams points out. "McDonald's can create a new category. However, we can't change the number of people who eat out on

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**The market isn't
any bigger, but
competition is hot.**

By Carol Casper

Though eating habits
keep changing
along with dining-out
frequency, patrons
still enjoy a traditional
breakfast
with a bowl of cereal
and fruit.



PHOTO BY JOHN UHER

BREAKFAST

MARKET SEGMENT REPORT

weekdays or weekends. All we can do is attract a share."

As a result of this perceived decrease in opportunities at breakfast, both chains are focusing more of their attention on building business in other dayparts.

"There's a range among our operations, but typically breakfast accounts for anywhere from the low to mid-40s percentagewise of our units' sales," Ostrov notes. "Our goal on a system-wide basis now is to achieve daypart equality. That means we're devoting more effort to increasing lunch and dinner traffic."

"We're trying to get our check averages up," Ostrov adds. "That's hard to do when you're selling two eggs, toast, and bacon for \$2."

"Country Kitchen has been perceived predominantly as a coffee-shop chain for a long time. But in the last three years we've been trying to reposition ourselves into the mainstream of contemporary family dining."

"We're not turning our back on breakfast," Ostrov emphasizes. "But

Some operators are encouraged by the additional competition, claiming that it helps promote the daypart.

we're serious about achieving daypart equality."

In a similar vein, Williams says that Bob Evans' heaviest promotional thrust is on building dinner business at present. "It's an area we're not strong in, so it offers more room for gains," he points out.

STEADY TRAFFIC. On a more positive note, Tom McNulty, senior vice president of marketing for 230-unit Village Inn reports that breakfast traffic has been holding steady for the Denver-based chain, a subsidiary of VICORE.

"Fiscal '91 was a record year for us," says McNulty. "If you look at CREST figures, breakfast as a portion of total foodservice sales has been declining

annually for the last few years, so you might be inclined to think that breakfast is dead. But we've just had a record year for profitability, being primarily in breakfast. So apparently there is still room for restaurants to do a good job with breakfast. It has made Village Inn successful for over 30 years."

Another upbeat note is sounded by Stephen Pettise, vice president of marketing for Glendale, Calif.-based International House of Pancakes (IHOP), which operates more than 500 stores spread across the country. Pettise is heartened, rather than discouraged, by the increase in breakfast competition.

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At Dozens in Denver, the motto is "Freshness First." Business has been boosted by a fresh in-store bakery program.

BREAKFAST

MARKET SEGMENT REPORT



Burger King's Croissan'wiches, introduced several years ago, continue to sell well.

"I'm generally bullish because more people are getting into the segment," says Pettise. "Every time that happens, it promotes breakfast to top of mind for more of the market. It means another company talking about and promoting breakfast, and that's good for the segment as a whole," he maintains.

BECKONING PROMISE. Even though some traditional breakfast operators see opportunities diminishing in the morning daypart, to those who have not yet tapped the market, it beckons with promises of incremental business.

"When operators are suffering from a recession, the first thing that happens is they add breakfast to keep up their gross sales," observes Scott Diamond, one of the owners of Denver-based Dozens, a two-unit, upscale breakfast and lunch operation.

With fast feeders, including many hamburger and chicken operations, already well established in the breakfast market, some of the more recent additions include a number of sandwich and sub shop chains.

Milford, Conn.-based Subway has begun introducing breakfast in some of its stores; New York City-based Blimpie is taking a serious look at the daypart; and Port Of Subs, based in Reno, Nev., sees the morning meal as a

major opportunity. The trend toward in-store bread baking by many sandwich chains is helping to fuel this move, since it opens up possibilities to offer other fresh-baked breakfast foods, in addition to breakfast sandwiches.

Another segment that has naturally gravitated toward breakfast is the growing category of bakery/cafes. They have been prospering by offering customers on the run what are generally perceived as lighter, healthier, and more upscale alternatives to the fast-food breakfast or simple donut.

On the retail side, convenience stores and supermarkets are also selling more breakfasts-to-go. Although their percentages may still be small in terms of total foodservice breakfast sales, retailers in general demonstrate a growing interest in developing food-service business, and breakfast has proved one of the easiest segments, particularly for convenience stores, to break into.

TRAFFIC COUNTS. Industrywide, breakfast traffic rose 2% for the 12 months ended August 1991, according to CREST figures from NPD Group, Park Ridge, Ill. Traffic grew 2% for quick-service restaurants, while mid-scale operations fared slightly better with a 3% gain in breakfast visits. Not surprising in today's price-conscious

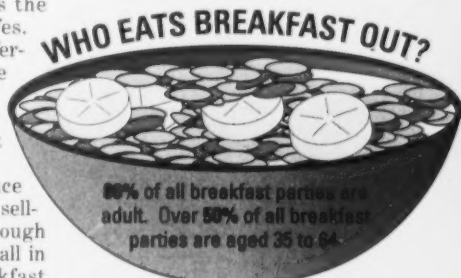
environment, upscale places saw their morning traffic decline 3%.

"The real story, however," comments Bob O'Brien, director of sales and market development for NPD, "is that despite fluctuations both up and down in recent years, the breakfast market, in terms of numbers, has not really changed very much in the last decade. In the early '80s, 15% of households purchased breakfast from a restaurant at least once every two weeks, and that percentage was exactly the same last year."

So although the tremendous growth of the fast-food breakfast segment has drawn attention to the morning daypart in recent years, it did not really create much of a new market, O'Brien says.

"All fast food did was to steal a share from midscale operators and take over business from the old-fashioned luncheonette type places, which have also been disappearing over that same period," O'Brien points out.

More than any detectable trends in lifestyle on the part of consumers, whether toward eating breakfast at home more often, eating it out, or skipping it altogether, O'Brien believes



SOURCE: CREST, NPD Research (1990)

that the factor that has most significantly impacted breakfast business in the last few years is the intensity of marketing activity on the part of operators selling breakfast.

"By comparing the record of breakfast marketing activity by major chains to performance in the category," points out O'Brien, "you can see that the years in which breakfast traffic was weak were those in which it was not marketed, while in strong years it was heavily marketed."

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The development of the fast-food breakfast market has certainly been the most dramatic development in the morning daypart in the last decade or so. Quick-service restaurants today account for 60% of all breakfast traffic, according to CREST figures. Midscale places have held on to a 36% share, while upscale restaurants garner just 4% of the breakfast market.

"One of the biggest services that McDonald's has done for the quick-service industry is to make fast food an acceptable option for breakfast. It is no longer a novel and strange idea, as it was when we first introduced our Breakfast Jack back in 1971," points out Mo Iqbal, vice president of marketing for Foodmaker Inc.'s 1,040-unit Jack in the Box chain. "Today the fast-food breakfast is an accepted feature of American society."

While many midscale operators agree on the strengths fast-food operators bring to the breakfast battle, there are differences of opinion on the degree to which they are in direct competition, now that quick-service has established its place in the market.

"Convenience, speed of service, and value are three very important factors to most weekday breakfast customers," notes Bob Evans' Williams, "and they are three areas where fast-food operators for the most part can do very well."

"In terms of convenience, for example, at breakfast people look for a place that is on their way to work. People might drive 10 miles out of their way to go out to dinner, but they are unlikely to go more than two or three streets out of their way for breakfast. So just

**Some operators
are focusing on
other dayparts.**



Country Kitchen opened a unit in Puerto Rico, the first of a 10-unit Caribbean agreement.

in terms of sheer number of locations, fast-food places are convenient.

"However, we do not see ourselves as competing with fast food. Bob Evans serves a different occasion," Williams says.

Similarly, Ostrov of Country Kitchen says, "We've finally gotten our system to realize that we cannot compete with the fast-food guys. That is not our market. We don't put eggs on a muffin in a container for 99¢ and push it out a take-out window. Our market is the person who wants a full-service restaurant experience, a cooked-to-order breakfast served on real china by a friendly waitperson."

"So instead of competing against fast food, we have to build on our strengths. You simply cannot get what we offer at fast-food places."

McNulty of Village Inn agrees, commenting, "The fast-food breakfast occasion is a different set of circumstances. Our customers are looking for sit-down table service."

Barry Krantz, president of the fami-

ly restaurant division of Restaurant Enterprises Group, Irvine, Calif., which operates two concepts serving breakfast, Coco's and Carrows, echoes them, noting, "The reality is that most of our customers trade among the full-service sit-down places for breakfast."

"However," Krantz concedes, "there is no question that if McDonald's runs an aggressive breakfast promotion, it hurts us all. Perhaps 80% of our customers would not consider it an option, but no one can afford to lose 20% of their business."

Pettie of IHOP, on the other hand, sees fast food as competing even more directly. "We spent a lot of money doing focus groups with consumers this year," he reports. "We found that we share visits by the typical consumer with fast food. A person may go to a fast-food place for breakfast three times a week and to a family restaurant or coffee shop once, or vice versa."

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❖ 1906 ❖



NUTRITIOUS FOOD FROM W.K. KELLOGG GENERATES EXCITEMENT AT BREAKFAST TIME.

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On the positive side, Pettise adds, "I have noticed in my 10 years at IHOP that people who begin to eat breakfast out at fast-food places eventually decide to try a sit-down restaurant, although more often that will be on the weekend.

"Weekdays are the hardest part," claims Pettise. "But the point is that if people get into the habit of going out for breakfast, eventually they will try different segments. So I think the growth of fast-food breakfast eventually impacts favorably on traffic at IHOP."

VALUE MENUS? Probably the most talked about fast-food breakfast entry recently is that of Taco Bell. Although the Irvine, Calif.-based, PepsiCo-owned giant's breakfast roll-out so far involves

Consumers want the convenience of hand-held items.

just about 200 restaurants in the greater Los Angeles area, the move is generating intense interest nationwide. Many operators anticipate that the extension of Taco Bell's value menu strategy into the morning daypart will shake up the breakfast segment as much as it has impacted fast-food lunch and dinner segments in the last couple of years.

"I think breakfast is going to be harder for them than lunch has been, but if they carry through with their same price-value strategy, it will certainly impact other fast feeders," says Krantz. "They will have to respond, which will ultimately affect the sit-down breakfast places like us, even if indirectly."

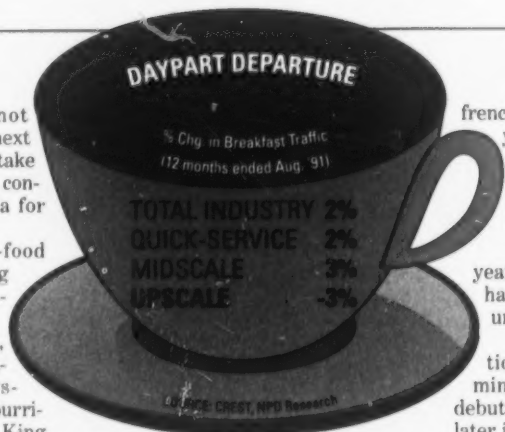
Value pricing is certainly a key element in Taco Bell's breakfast strategy. Its whole breakfast menu is priced under \$1. Included are several varieties of breakfast burritos priced from 39¢ to 79¢ and a breakfast egg, bacon, and cheese sandwich on an English muffin for 99¢. Also on the morning menu are hash browns for 39¢ and a caramel roll for 59¢. Beverages include coffee, orange juice, and milk for 39¢ and 59¢.

Taco Bell executives will not comment on where or when the next step in the breakfast roll-out will take place, but no one expects it to be confined to just Southern California for very long.

In the meantime, other fast-food operators have been achieving results with strongly product-oriented breakfast promotions.

McDonald's Corp., Oak Brook, Ill., generated interest and reportedly boosted sales with its systemwide roll-out of the breakfast burrito to last year. Meanwhile, Burger King was successful promoting its miniature Breakfast Buddy sandwich, an egg and cheese sandwich available with sausage, bacon, or ham.

"Our breakfast business has been excellent in the last year," notes a



spokesperson for Miami-based Burger King. "The numbers have been increasing, and we can attribute part of that to interest generated by the Breakfast Buddy."

Burger King's Croissan'wich and

french toast sticks, introduced several years ago, have also continued to sell well, she notes.

Burger King also offers its own breakfast burrito in a number of markets.

"It's been in our system for years," the spokesperson adds, "but hasn't been made widely available until recently."

Another recent breakfast addition at Burger King is blueberry mini-muffins. The chain expects to debut further new breakfast offerings later in '92, including some items aimed at health-conscious consumers as part of its new Lighter Way menu.

PRODUCTIVE. Another fast feeder that has been successful with breakfast in the past year is regional powerhouse

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CHARTS BY SHARI FANG

1992



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Jack in the Box, based in San Diego, Calif.

"Our strategy at breakfast is the same as in our other dayparts. That is to keep customers interested by introducing a stream of new products at regular intervals," Iqbal notes.

Jack in the Box's latest entry is a sourdough breakfast sandwich, debuted in September. The sandwich features lean ham, eggs, and American and Swiss cheeses on grilled sourdough bread. "It has been well received, and has generated some incremental sales for us," Iqbal reports.

Other successful breakfast items for Jack in the Box include its scrambled egg pocket, several varieties of crescent roll sandwiches, and its original Breakfast Jack, a ham, egg, and cheese sandwich on a whole wheat bun. The Breakfast Jack is the only breakfast item offered all day by the chain, and about half of the sandwich's sales actually take place outside of breakfast hours.

Unlike most of its fast-food competitors, Iqbal adds, Jack in the Box offers

its regular all-day menu during breakfast hours as well, which he believes helps account for some of the chain's morning strength. Breakfast makes up over 15% of sales on average for the chain.

While portable items sell best on weekdays, he adds, Jack in the Box does a good business on weekends with full breakfast plates such as a scrambled egg platter with muffin, bacon, and hash browns, and a pancake platter.

Another chain that sells hamburgers at breakfast is Juicy Lucy's Inc., Fort Myers, Fla. "A lot of people coming off a night shift are happy to be able to get hamburgers at 7 a.m.," says president Suzanne Grady.

The fledgling franchisor of double-drive-thrus opened its first unit in 1988, and first added breakfast last year. Juicy Lucy's takes an upscale approach, featuring home-style, freshly made foods, and a broader selection than competitors. Its breakfast menu includes an old-fashioned fried egg sandwich on a toasted bun for 79¢; bacon, sausage, and ham and egg versions; a western omelet on a bun; hot

Fast food claims

60% of the

breakfast traffic.

ham and cheese; and B.L.T., plus fries, all priced under \$1.50.

WEEKDAY CHALLENGE. For the sit-down, family-style restaurants, weekdays have been a universal challenge, one that has become even more acute since the popularization of fast-food breakfasts.

"The weekday is always a tough fight, because it's more of a utilitarian phenomenon," Krantz comments. "Most people want something fairly basic, and it's hard to compete in that arena with the fast feeders."

"Quick service is the key Monday through Friday," he adds, "because ultimately time is the constraint. Good service becomes more important than ever. It is also important to remember that it

is hard to bring new customers in for breakfast. People tend to get into a habit of where they eat breakfast. So the key is, you had better not lose any loyal customers over slow service."

"Weekday business requires continual promotion," Pettise says. "Consumers generally want to spend less and eat less than on weekends. But they respond to promotions. We find we have to incentivize them to come in."

Price in general is a bigger issue on weekdays, Thomas Wirt, executive vice president of marketing for Bakers Square, another VICORP operation, adds.

"We know we have some problems during



Breakfast is still an important daypart at International House of Pancakes.

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the week, because our breakfast check average runs \$6 to \$7 weekdays or weekends, and on weekdays, most people don't want to spend more than \$3 to \$4," says Wirt. "On weekends, a \$5-\$7 breakfast is no problem for a lot of people, but if they spend that every day of the week, it adds up fast."

PRICE PROMOTIONS. Not surprisingly, therefore, a lot of midscale operators are focusing on weekday price-oriented promotions. Carrows, Krantz notes, has just come off a very successful weekday promotion, a "Best Value Power Breakfast."

"It was the first time Carrows has featured the breakfast daypart exclusively in a campaign," he points out.

Served Monday through Friday from 5 a.m. to 11:30 a.m., the "Power Breakfast" offered customers two eggs, two pieces of bacon or sausage, and their choice of one additional item from a list, which included french toast, buttermilk pancakes, hash browns and toast, biscuits and gravy, or half a waffle. The Best Value Power Breakfast was priced at just \$2.59. The same choice was also available weekends for \$3.59.

"Our traffic counts went up very significantly during the special," Krantz says, "and profits were also pleasing."

Weekday breakfast is a more important factor at Carrows, which is open 24 hours and can be described as a slightly upscaled version of Denny's, Krantz adds, than at the company's other concept, Coco's, which he terms more "top of midscale," puts considerably greater emphasis on weekend breakfasts. It, too, has a major new breakfast program scheduled to roll out in '92.

NUTRITION. Bob Evans' strategy this year will be to focus its breakfast promotional efforts on weekdays with light, nutritional items aimed at likely weekday breakfast patrons.

"We've identified three opportunity markets for weekday breakfasts, and we're tailoring efforts to each one," Williams explains. "First is the

Full-service dine-in concepts battle fast food for customers on weekdays; business is stronger on weekends.

person for whom the weekday breakfast is a daily regimen. Speed, value, and convenience are key factors here.

"Another opportunity is the meeting breakfast. We want to position ourselves as a place for businesspeople to meet.

"The third segment is the 'leisure breakfast' market, which to a large extent is made up of senior citizens these days, so we're tailoring some new menu items and programs to them."

Breakfast checks average about \$4 systemwide, and the meal contributes about 27% of chainwide dollar volume. Bob Evans' stores, all company-owned, are located in 14 states concentrated in the Midwest. The firm continues to

open about 20 new stores a year, Williams notes.

Another chain focusing on weekday breakfast is Le Peep, based in Denver, which operates 58 stores around the country, about half of them franchised.

"Our business is still stronger on weekends than on weekdays," notes Le Peep's executive vice president Tony Doyle, "but we have been able to shift the percentages somewhat in the last couple of years. We used to do 70% of our sales on weekends. Now the split is closer to 60-40."

The company has been concentrating on in-store efforts to persuade weekend customers to come back on weekdays, Doyle notes. They have included "bounce back" programs, such as distributing coupons to weekend customers good for discounts on weekday breakfasts.

"We've also been working a lot with our service staffs. We've always been a superb company from the point of view of operations. More recently we've been working with managers and servers on service. We want to convince them that 'service sells,' and impress on them that they need to engage people and talk with them," says Doyle.

"We're not talking about just suggestive selling, but an active approach to marketing the restaurant through our waitstaff. Some of it can be as simple as telling customers you hope to see them back soon."

Like Bob Evans Farms, Le Peep is also working on marketing its restaurants as meeting places.

"We can provide a place for companies to hold breakfast

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Carrows' "Best Value Power Breakfast" promo worked.

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meetings and awards programs," Doyle says. "We're concentrating now on trying to get the word out on these programs through local store marketing efforts."

With most Le Peep restaurants open for breakfast and lunch, the chain is also going beyond breakfast, to market off-hour catering opportunities as a way to make better use of its resources.

"We can offer companies and organizations a pleasant facility, an eclectic menu, and because our kitchens are equipped to cook everything from scratch, we can also offer off-menu items, such as steak dinners, or just about anything someone might request," Doyle points out.

LIMITED OPTIONS. One problem that is shared by breakfast operators in marketing morning meals is the relatively limited number of options available, compared to other dayparts.

"As much as we try to innovate, the reality is that breakfast basically means cereal, eggs, breakfast meats, and pancakes," comments Ostrov of Country Kitchen. "It really offers you a pretty limited palette from which to build."

The challenge to breakfast operators often seems to be how many creative combinations and variations they can come up with while staying within this limited array. Another important element lies in differentiating themselves and steering breakfast sales away from the strictly commodity-type items, where price competition tends to be more intense.

"With a meal like two eggs, hash browns, and toast, there is a lot of competition and price sensitivity," Ostrov points out. "With something like our new Belgian waffles, there is a greater perception of uniqueness, and that means less price pressure."

For the same reason, Country Kitchen concentrates much of its promotional push for morning business on its skillet breakfasts, which are its most expensive, "top of the line" items.

"They are more profitable in dollars for us, though not on a percentage basis," Ostrov claims.

Last year Country Kitchen took its Southern Skillet systemwide, which

New contenders in the morning

daypart include sub/sandwich shops,

c-stores, and bakery/cafe concepts.

had the added advantage, Ostrov says, of "bringing biscuits back into the restaurants." The Southern Skillet consists of two sausage patties on biscuits served with two eggs and country sausage with gravy on the side, which is brought to the table in a skillet. The Southern Skillet is priced at about \$4.

The chain also elevated a Southwestern-flavored Fiesta Skillet from a regionally promoted feature to its regu-

lar menu. A test of blueberry and banana pancakes in '91 led to the addition of blueberry pancakes as another regular menu item.

This year, Ostrov adds, the chain will be promoting oatmeal. "We're featuring it on our point-of-sale material to remind people that we have it. We've also significantly upgraded our presentation. Instead of a simple bowl of oat-

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Country Kitchen upgraded its hot cereal presentation with fruit and muffins.



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meal, our new cereal presentation includes fruit and a muffin. This has enabled us to increase the price and boost check average, while still providing a high value perception to customers.

"In-season we make up our own fresh fruit compote to go with the cereal, while off-season we use a prepared product," he adds. "Another nice feature of the presentation is that it gives our operations enough use for the fruit so that it now makes sense for them to prepare it fresh in-season."

BUNDLING. Another operator emphasizing bundling is perennial breakfast favorite Denny's. The nearly 1,300-unit chain has continued to elaborate on its Grand Slam breakfast line, which first debuted over a decade ago.

The Irvine, Calif.-based division of TW Services added three new Grand Slam breakfasts in '91, according to vice president of marketing Bill Campion. All take off from the basic Grand Slam formula, which consists of two eggs, two pancakes, two strips of bacon, and two sausage links.

One new addition, the Harvest Slam, substitutes a whole wheat apple nut pancake with apple topping for plain pancakes. A second variation, the International Slam, offers a Belgian waffle and french toast along with sausage and bacon. The third addition, Play It Again Slam, is an enhanced version for king-size appetites, with three of each item instead of the two served with the regular Grand Slam.

The additions bring Denny's Grand Slam line to nine variations, which the chain heavily promoted last spring and summer in a major campaign tied to Major League Baseball, according to Campion. The program marked a return to TV advertising focused on breakfast, after the company spent the prior year highlighting lunch and dinner.



Breakfast gets an ethnic twist with this South of the Border variation.

ner. Denny's also extended its Grand Slam offerings onto its lunch and dinner menus, Campion says.

This year the chain will be looking at further enhancements to its Grand Slam line, as a means of concentrating on its significant point of difference. It may add some new products to break-

fast to replace some slow movers.

Another chain that continues to concentrate on its tried and true point of difference is 1,658-unit Shoney's Inc., Nashville, Tenn., which focuses morning efforts on its Breakfast Bar. This year the chain is celebrating the 10th anniversary of the Breakfast Bar, according to vice president of marketing Jeff Sowell. Shoney's will mark the event with special promotions.

The heart of the anniversary program will be a discounted price of \$2.99 Mondays through Fridays at participating stores. That represents a \$1-\$2 savings, depending on the market.

"We'll do a lot of publicity around the
continued on page 184

Fast-food breakfast traffic grew 2%;

midscale restaurants saw a 3% gain;

upscale traffic was down -3%.

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celebration," Sowell says. "We've developed a special logo to use in all our advertising, and we will be running full page ads in *USA Today*." The promotion is geared specifically to increasing Shoney's' weekday breakfast share, Sowell points out. Although the restaurants also offer à la carte breakfast menus, more than 90% of customers order off the Breakfast Bar.

In addition to basics like eggs, pancakes, bacon, and sausage, which are served daily, Shoney's rotates other items on and off the bar on a monthly basis to keep it fresh and inviting to regular customers. Recent additions have included more cereal choices and a larger variety of fresh fruits. Last year the chain also debuted a brunch cake, which has become a permanent addition.

Quincy's Family Steakhouse, based in Spartanburg, S.C., got into the breakfast business recently with its own breakfast bar, an outgrowth of its Country Sideboard buffet offered at lunch and dinner.

After several years of testing, the breakfast bar roll-out was extended to all 216 units of the Southeastern chain,

a division of TW Services Inc.

Quincy's 50-item bar is offered on weekends only, from 7 a.m. to 11 a.m. It features traditional country breakfast fare like scrambled eggs, bacon, ham, sausage, home fries, pancakes, grits, made-from-scratch biscuits, and french toast sticks. The bar is augmented by extras like corned beef hash, steak fingers, red rice, fresh fruit and cottage cheese, and honey buns. The bar is priced in most markets at \$4.29 for adults, \$1.99 for children aged 4-12, and free for kids 3 and under.

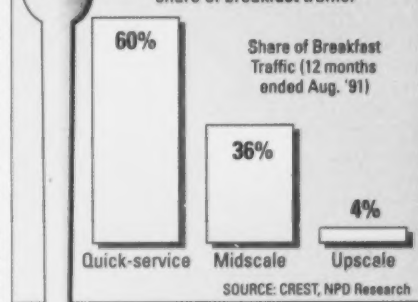
Already the breakfast offering is achieving both of management's goals: to bring regular customers back more often for a different meal occasion and to entice new customers in the door.

As part of its tests, Quincy's experimented with several approaches to weekday breakfasts as well, including an à la carte menu and the buffet. However, results convinced the chain to limit service to weekends.

"We determined that this is when customers want breakfast, and when it

WHO'S GOT THE BITE ON BREAKFAST?

Fast food still claims the major share of breakfast traffic.



is profitable," says a spokesperson.

Buffets are also becoming a more popular option among Country Kitchen franchisees for Saturday and Sunday service.

"While building weekday business tends to be a struggle, on weekends our biggest problem is how to get more bodies through the restaurants quickly," Ostrov points out. "Buffets provide a more convenient way to do this, with shorter waits, while customers get a great value. At the same time we get a higher check, and it takes some of the strain off the kitchen." Well over half of the Country Kitchen system now offers weekend buffets.

HEALTH: JUST TALK? Health trends continue to be a major focus for many operators as well, although there is a general consensus that, particularly at breakfast, there is more lip service given to health concerns than actual participation by the majority of customers.

"Per capita consumption of eggs is declining, but the fact is that egg dishes are still our best-selling breakfast items," Iqbal of Jack in the Box says.

"There is a hard core group of customers that order healthy items, but it is much smaller than the number of people who talk about it," adds Doyle of Le Peep. "Although they don't make up a big portion of our sales, we offer a range of healthy choices. It hasn't really changed the product mix we're sell-

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New drive-thru-only concept, Juicy Lucy's, has added breakfast to its menu.

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ing very much, but it gives people a reason not to say no to our restaurants."

Negating that veto factor is the reason that many operations have added health-oriented items, especially at breakfast. But just because they are on the menu doesn't mean they sell well.

"Health is clearly a market, but a minority," echoes Krantz. "We've added some healthy options, but we also still sell a lot of chicken-fried steak and eggs."

One key to success in marketing health-oriented items is making sure that the message includes taste as well as nutrition.

Village Inn, for example, successfully rolled out a new line of low-fat, low-cholesterol, low-sodium breakfasts marketed under the theme, "So good you'd swear they were bad for you."

Although he agrees with the general opinion that there is more talk than participation when it comes to health, McNulty notes that the response to the items actually exceeded management's expectations. The menu includes three omelets made with a low-cholesterol egg substitute, granola and fruit with yogurt, also available with a muffin, and low-cholesterol fruit and nut pancakes.

Egg substitutes are also playing a bigger role on the menu at Country Kitchen. Following on the heels of its debut of a breakfast platter featuring a low-cholesterol egg substitute, last year the chain rolled out a new omelet made with the same product, and this year it will introduce a skillet breakfast featuring the egg substitute as well.

One chain that has made healthy eating a key orientation from the start is Hobee's, an 11-unit group

About 15% of U.S. households bought breakfast from a restaurant at least once every two weeks.

based in (where else?) Palo Alto, Calif. For years, Hobee's has offered customers an egg-less alternative in the form of a tofu scramble, which consists of tofu mixed with seasonings, fresh spinach, mushrooms, onions, and tomatoes. The chain also recently began offering egg substitutes for customers who don't care for tofu, according to Kelley De Foor, executive vice president of Taber Food Service, which operates Hobee's.

The extensive breakfast menu also includes such health-oriented items as Hi-Protein Honey Whole Wheat pancakes, tofu-vegetable patty and eggs, homemade fresh granola, Energy Blend yogurt-based drinks, and turkey sausages.

Some of the chain's other signature breakfasts include hash-brown platters topped with varied assortments of vegetables, cheese, chicken, turkey sausage, and other ingredients, and home-baked blueberry coffeecake, which is offered as a tasty alternative to toast with most breakfasts.

Another featured breakfast option is a hot oatmeal bar, served until 10:30 a.m., where customers can help themselves to cereal and different toppings like raisins, cinnamon, low-fat or non-fat milk, and honey.

The restaurants greet customers with a choice of coffee or cinnamon-orange tea, brewed and served by the potful, De Foor adds.

Except for the oatmeal bar, Hobee's offers its breakfast menu all day. While breakfast hours account for about 45% of the chain's total sales, breakfast items contribute close to 60%.

ALL-DAY MORNING. With weekday breakfasts a tough draw, some breakfast-oriented places are putting a greater emphasis on marketing breakfast foods all day.

Elmer's Pancake & Steak House, Portland, Ore., for example, a 28-unit chain, focused its marketing efforts last year on a major campaign, complete with TV advertising, themed "Why Not Have Breakfast for Dinner Tonight?" The six-week promotion not only boosted

night-time sales, but also helped to strengthen morning traffic, says president and CEO Herman Goldberg, who plans to repeat the campaign this year.

About 60% of dinner sales are items from the breakfast menu, he adds, which features about 30 varieties of pancakes and crêpes in addition to other standard breakfast fare.

Like several other



Jack in the Box's sourdough breakfast sandwich.

BREAKFAST

MARKET SEGMENT REPORT

er operators, Elmer's is also marketing itself as a venue for business meetings. "That is one weekday breakfast opportunity where fast food can't compete," Goldberg notes. "Especially with the

decline of the two-martini lunch, business breakfast meetings are becoming a bigger market. We sometimes have as many as three or four meetings going on at a time."

In New York City, the catering firm of Fisher & Levy specializes in bringing breakfast as well as lunch to businesspeople, with an operation geared to office delivery. Its breakfast menu is heavy on baked goods, including muffins, croissants, danish, old-fashioned ruggelah, assorted bagels, and its latest addition, hand-made no-cholesterol donuts.

"Particularly with our new donuts, we've found a market niche with a low food cost where we can provide a high-quality item—significantly higher quality than most people are used to in a donut," says partner Chip Fisher. A large number of donuts, 300 to 500 daily, are sold in the operation's retail outlet, he adds, where the increased interest they have generated has also helped boost lunch sales.

UPSCALE DOWNSIDE? With the recession in full swing, times are tough for upscale operators, according to Diamond of Dozens, where the breakfast check averages \$5.50. Still, he feels the way to succeed is to stick with its upscale niche, rather than try to compete against lower-priced operators.

"Our food cost is twice that of Denny's, hence we have to charge twice as much, and somehow demonstrate to customers that they are getting the value," says Diamond. "But I don't have to respond to \$1.99 breakfast specials."

Dozens' slogan is "Freshness First," and a heavy emphasis is placed on marketing the freshness of its offerings, from fresh-squeezed juices and fresh fruits, to on-premise baked goods.

Le Peep, on the other hand, is trying to avoid the upscale label, while still providing a high-quality experience.

"We want to position our operations and our menu as a cut above what most of the other breakfast places can offer, but we don't want the high-price conno-

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Morning business

meetings have yet

to be exploited.

BREAKFAST MARKET SEGMENT REPORT

tations associated with the term 'upscale'," Doyle says.

Some hotels, too, are trying to shed their high-priced breakfast image in an attempt to keep guests in-house who

might be inclined otherwise to look for bargains elsewhere.

"We have always been very successful at in-house capture, with an almost guaranteed 90% success rate at break-

fast. But there has been some talk of downswings in the last year, as people have been getting more selective about where they spend their dollars," notes Sue Halsey, manager of menu merchandising for the hotel division of Marriott Corp., based in Washington, D.C.

"We're encouraging our hotels not to raise prices, but to strive to stay flat, or very price-sensitive," Halsey says. The hotels are also increasing their offerings of special breakfast-included room rates to help stimulate lodging business in today's tougher economy.

EXPEDITE. "Our other direction right now is trying to expedite the breakfast meal period on weekdays as much as possible, by using placemat menus to streamline service, and continuing to offer a buffet option."

On weekends, Halsey adds, the hotel chain has lightened up its breakfast buffet somewhat.

"We've gotten rid of some of the extras that were more for attractiveness and presentation. We've found people don't seem to need or want as much as we were giving them before, and the change has helped us cut down on waste."

Another small but growing trend in hotels seems to be the offering of Japanese breakfasts. Last year, the Toronto, Canada-based Four Seasons hotel chain began providing this option at several properties.

The latest operation to join in is Hotel Nikko in Atlanta, a Japanese-owned luxury hotel that serves about a 10% Japanese clientele. Its Japanese breakfast includes such items as grilled salmon, pickled vegetables, daikon radish, poached egg, miso soup, steamed rice, cold cooked spinach with bonito flakes, and green tea, for \$14.50. Although initially offered strictly as a service to Japanese guests, management is considering widening its marketing of the breakfast to Americans who might find it intriguing from a healthy point of view, or simply to try something different.

That's the sort of innovative thinking that will be needed to crack open the breakfast market and lure greater numbers of customers to the morning daypart.

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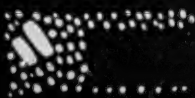
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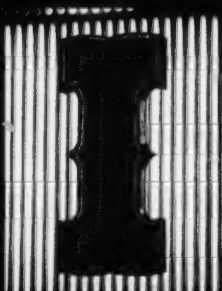
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RESTAURANT BUSINESS

MARCH 20, 1992
A BILL PUBLICATION



How Safe ■ How Cheap ■ Where to go for startup



ough ■ How the bottom line shrinks ■ Two foreign



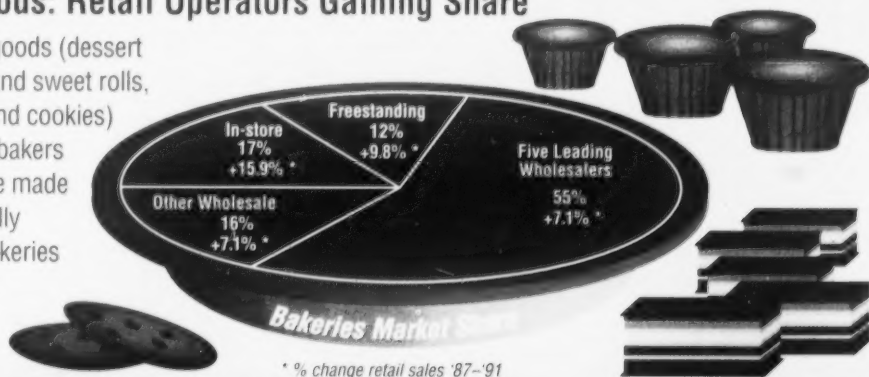
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BUSINESS BAROMETER

Sweet Baked Goods: Retail Operators Gaining Share

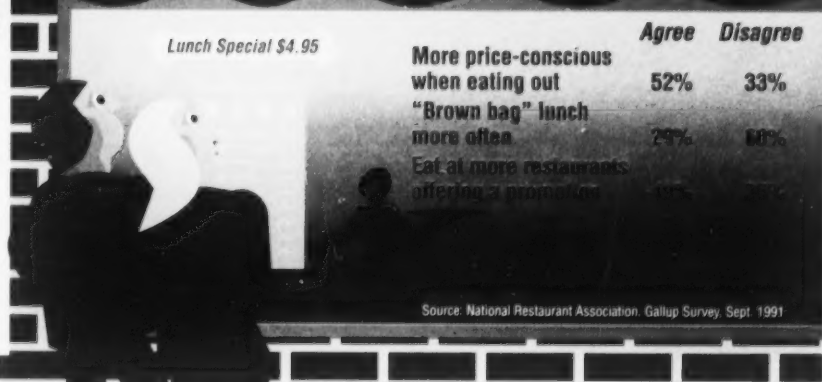
Premium sweet baked goods (dessert cakes, breakfast cakes and sweet rolls, dessert pies, pastries, and cookies) produced by wholesale bakers are losing share to those made by retail bakers, especially supermarket in-store bakeries and, to a lesser extent, freestanding bakeries.



Source: FIND/SVP

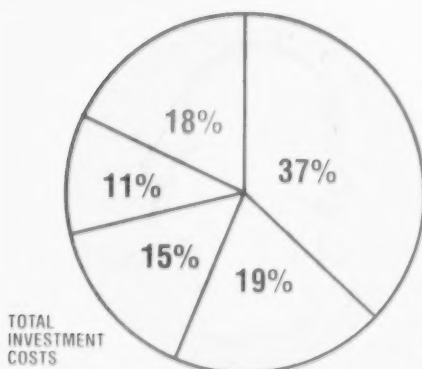
Coping: How The Economy Has Affected Eating Out

Consumers are looking at prices more than before and are eating out where promotions are given in order to save money. But they are drawing the line on some cutbacks. For instance, they haven't yet resorted to "brown bagging" for lunch.



Franchise Survey: Investment Costs and Income Tallied

According to a national Gallup survey, the average gross income of franchise owners, before taxes, is \$124,290 while average investment costs are \$147,570. The poll was conducted during November and December, 1991.



Source: International Franchise Association

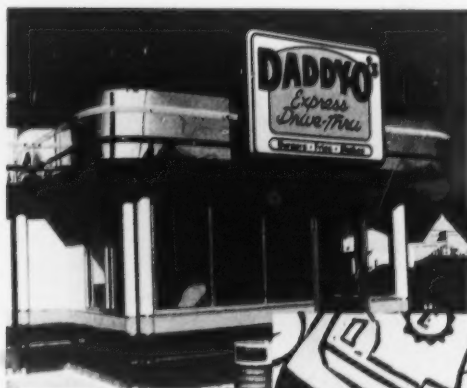


- Less than \$50,000
- \$50,000-\$100,000
- \$100,000-\$300,000
- Over \$300,000
- Don't know, Didn't answer

Charts by Peter K. Niceberg

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MARCH 20, 1992 VOL. 91, NO. 5



COVER STORY:
The 27th Annual Franchise Report features some never before tabulated data and hot articles on financing, siting, new territories, and more. Page 61.



COVER STORY

27TH ANNUAL FRANCHISE REPORT. New and improved, this year's report includes the exclusive, never before tabulated Restaurant Investment Summary (page 62). In addition to the standard data on sales and units of the Top 50 Franchise Systems (page 96), this new chart will include information on: franchise fees; royalty and advertising fees; total investment costs; and investment/sales ratio.....61

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Cover photography by Simon Nathan

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FOOD AND BEVERAGE

MENU IDEAS TAKE-OUT. When you think about operators that have experience with food to go, who has been learning longer than the supermarket guys? They're getting better at it, too. Restaurants can learn a few things from supermarkets. *RB* went "behind enemy lines" to learn a few tricks of the retail trade. 103

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INDUSTRY REPORTS AVAILABLE

Reprints of the 1991 **RESTAURANT GROWTH INDEX** and 1992 **ANNUAL FRANCHISE REPORT** are available for \$7 per copy. Direct inquiries to Editor Scott Allmendinger, *RB*, 633 Third Ave., New York, NY 10017.

IN THE NEXT ISSUE

MAJOR FEATURE WENDY'S. This major burger player is well into a turnaround. One of Wendy's major problems was the failure of its breakfast program in the '80s. Now that the company is back on track without it, *RB* analyzes whether it's time for the chain to get back into breakfast.

MARKET SEGMENT REPORT MEXICAN. With expansion still strong in all areas of the market, the newest trend is healthy Mexican cuisine. The informal, affordable, flavorful food is a neat fit for the health-conscious '90s, as operators lighten the fare and menu prices.

TECHNOLOGY REPORT SOUS VIDE. Whatever happened to the promise of sous vide? This article will report on where the technology stands today—its problems and its future.

DRAFTS, CARAFES WINES BY THE GLASS. In this alcohol-conscious age, many patrons' wine choice is often by the glass rather than by the bottle. In response, many operators are upgrading their by-the-glass selections.



TEST KITCHEN:
Take-Out, p. 103.

SANITATION TRAINING TAPES

New!

Get that 'ounce of prevention' with **RB** magazine's professionally produced, easy-to-absorb video tapes. Provides up to 50 minutes of instruction on sanitary practices. Each tape can be used independently or as a set and includes a 'Leader's Guide' to show how to conduct group discussions and written exams.



R/T 22:30

SANITATION:
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Tape 1: Personal Hygiene
and Cleaning Equipment

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R/T 26:34

SANITATION:
Recipe For A Clean Restaurant
Tape 2: Food Handling

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R/T 22:00

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RESTAURANT BUSINESS/MARCH 20, 1992

Where Have All The Buyers Gone?

LAST YEAR'S MERGER MARKET WENT SOUTH

LAST YEAR MARKED A DRAMATIC DECLINE IN THE MERGER AND acquisition game. One study by Merrill Lynch & Co. showed the total number of deals in 1991 at its lowest level since 1963. And the value of those transactions were down 34% from 1990.

The merger market among restaurant companies was similarly off last year: There were only 43 deals done in 1991, down from 53 in 1990, according to the Restaurant Merger and Acquisition Census, compiled by the Chicago-based investment banker J. H. Chapman Group Ltd.

But while the '80s-style leveraged buyouts and megadeals became a dusty memory, initial public stock offerings were on a tear. Seventeen restaurant companies did IPOs last year, up from just one in 1990. In fact, if you count IPOs and management buybacks as mergers, which the Chapman report does, 62 deals went down in 1991. That's an *increase* over 1990's 53 mergers and acquisitions.

Restaurants haven't traditionally been the darlings of Wall Street, but last year institutional investors were looking for small to medium capitalization growth stocks—exactly what restaurants had to offer.

In most cases investors weren't looking at historical performance. Says Chapman partner David Epstein, "most of the restaurants that went public were relatively new concepts," such as Outback Steakhouses and Bertucci's Brick Oven Pizzeria.

continued on page 56

MERGERS BY REGION



SOURCE: J. H. Chapman Group Ltd.

By Heidi Dawley

FOREIGN BUYERS ALL BUT STOPPED

SHOPPING IN THE U.S. LAST YEAR.

Bertucci's Brick Oven Pizzeria, a relatively new concept, was one of the hottest IPOs last year.



The stalled economy, says Epstein, has forced restaurant owners and managers to view "strengthening internal operations as a priority overgrowth through acquisition." A look at who the buyers were in 1991 backs up this theory. The number of operators that bought unrelated concepts fell, following a trend away from diversification that began in 1990, says Epstein.

Franchisors and franchisees continue to buy within their own concept, accounting for about 25% of all M&A activity—excluding public offerings. By buying into their own chains, they can expand without diversifying.

The most common deal was the purchase of a franchisee by a franchisor. The strategy was used particularly often by PepsiCo to build the market share of its Kentucky Fried Chicken and Pizza Hut operations. Epstein cites KFC's purchase of the 182-unit Scott's Food Service as one of the major deals of 1991.

Inter-chain deals turned the midpriced restaurant market into one of the industry's most active areas of mergers and acquisitions.

A quest for additional market share also increased the number of deals made last year by contract feeders. Four transactions were completed, including Gardner Merchant Food Services' acquisition of Ogden Allied Services Corp.'s Business and Industry Feeding Division. Only one such deal was struck during 1990.

"There are economies of scale in that business," says Epstein, "and the market is fairly limited for growth in trying to do conversion of self-operated units."

Although the number of leveraged buyouts fell significantly below the benchmarks of the '80s, the foodservice industry saw a surprising increase in deals from 1990, according to Epstein. Five buyouts were consummated last year, com-

pared with three in the prior 12 months.

However, the 1991 buyouts were markedly different from the typical deals of the prior decade, Epstein notes. For one thing, the takeover targets were generally much smaller—a Rax Restaurants instead of the multi-concept foodservice behemoths that changed hands during the '80s.

For another, buyers acquired financially troubled companies, wagering that a turnaround would generate the funds needed to pay off the purchase debt. In the '80s buyers pursued asset-based acquisitions with the intention of selling the pieces to pay for the deals.

Foreign buyers all but stopped shopping in the U.S. foodservice market last year, acquiring only one concern. In 1990, there were six announced acquisitions.

Overseas investors showed a similar lack of interest in other U.S. industries, says Epstein. Europeans seemed more intrigued by the opportunities abounding in the former Eastern Communist bloc and the emerging common market. And the Japanese settled into a wait-and-see attitude after making a number of acquisitions in 1990.

A change in philosophy was also evident among domestic restaurant investors, according to Epstein. For one thing, buyers were less interested in conversion candidates. Only three acquired concerns were slated for makeovers into other concepts, compared with a 1990 tally of 11.

The trend underscores operators' interest in fixing businesses instead of expanding them, Epstein says. He uses the same argument to explain the significant drop in the acquisition of new concepts.

However, an interest in expansion fueled the surge in restaurant IPOs. Companies like Outback, KooKooRoo, and Checkers sold themselves to the public to generate cash for the opening of additional units.

Other sellers simply wanted to bail out, according to the survey. One quarter of them sold their operations because of financial difficulties, a sharp increase from 11% who gave that reason in 1990.

But their efforts were largely frustrated by wary shoppers, Epstein says. Buyers were much more discriminating last year than they were in 1990, when savvy operators managed to complete a deal before the economy soured.

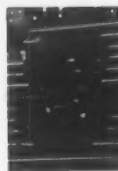
WHY DEALS WENT DOWN



SOURCE: J.H. Chapman Group Ltd.

FRANCHISING

INVESTING IN RESTAURANT FUTURES



o, you want to buy a franchise. Better consider all the financial facts first. To help you do that, here's a comprehensive review of the most important investment information for the nation's biggest franchise restaurant systems.

To begin with, there's the franchise fee, a front-end payment to the franchisor (usually cash): It's a one-time expense paid for each unit you open, and it's designed to reimburse

U.S. Franchised Restaurant Investment Summary

Franchise System	Franchise Fee	Royalty	Advertising Royalty	Total Investment* (000s)	Estimated 1991 Average Unit Volume (000s)	Investment/Sales Ratio (U.S. Only)
A & W Restaurants	\$15,000	4.0%	4.0%	\$180-1,000	\$270	2.13
Applebee's Neighborhood Grill & Bar	30,000	4.0%	3.0%	400	1,749	0.23
Arby's	25-37,000	3.5%-4%	0.1%	\$25-850	651	1.10
Baskin-Robbins	0	0.5%	1.5%	120-150	239	0.56
Big Boy	25,000	3.0%	3.0%	450	1,182	0.38
Blimpie	16,500	6.0%	3.0%	70-100	304	0.28
Bonanza	30,000	4.8%	3.0%	125	961	0.13
Burger King	25,000	4.0%	4.0%	1,000	1,061	0.94
Captain D's	12,500	3.0%	6.0%	572	604	0.82
Carl's Jr.	35,000	4.0%	4.0%	1,500	1,144	1.31
Carvel Ice Cream Bakery	25,000	Varies	Varies	85-80	251	0.29
Church's Fried Chicken	25,000	5.0%	4.0%	150	458	0.33
Dairy Queen	30,000	4.0%	3%-5%	145-335	452	1.08
Del Taco/Naugles	N/A	N/A	N/A	N/A	660	N/M
Denny's	35,000	4.0%	2.0%	700	1,240	0.60
Domino's Pizza	1-3,000	5.5%	3.3%	75-150	510	0.22
Dunkin' Donuts	30-40,000	4.9%	3.0%	85-150	558	0.18
El Pollo Loco	N/A	N/A	N/A	N/A	942	N/M
Gasfather's Pizza	7.5-15,000	5.0%	0.0%	72-231	458	0.40
Golden Corral	40,000	4.0%	4.0%**	1,700-2,300	1,040	1.92
Grand Round	30,000	3.0%	2.0%	1,300-2,100	1,432	1.15
Häagen-Dazs	N/A	N/A	N/A	N/A	279	N/M
Harden's	18,000	3.5%-4%	3.0%	700-1,000	978	1.18
International House of Pancakes	50-60,000	4.5%	3.0%	990	796	1.24
Jack in the Box	25,000	4.0%	5.0%	750	1,040	0.75
KFC	20,000	4.0%	4.5%	600-800	676	1.04
Krystal Hamburgers	25,000	4.5%	4.0%	325-360	894	0.38
Little Caesars Pizza	15,000	5.0%	6.5%	120-180	510	0.29
Long John Silver's	20,000	4.0%	5.0%	900-900	981	1.34
Marie Callender's Pie Shops	N/A	N/A	N/A	N/A	1,716	N/M

franchisors for start-up costs like site selection and training.

Next is the royalty fee, a percent of gross sales paid to the franchisor. Advertising royalties are a portion of gross sales typically allocated to corporate or national advertising expenditures. Be aware, however, that the franchisor may also require a percentage of gross for local advertising.

Total investment includes both cash and debt and represents the average total investment

required to become a franchisee. The amount will often be exclusive of real estate, which many franchisors—like McDonald's, for example—own.

Investment to sales ratio indicates a franchise's desirability, based on the midpoint of the total investment and the average unit volume. The lower the ratio, the more desirable the concept because of a faster payback period.

Investment information on individual franchise systems are listed alphabetically.

Franchise System	Franchise Fee	Royalty	Advertising Royalty	Total Investment* (000s)	Estimated 1991 Average Unit Volume (000s)	Investment/Sales Ratio (U.S. Only)
McDonald's	\$22,500	3.5%	4.0%	\$375	\$1,715	0.37
Orange Julius of America	30,000	6.0%	3%-5%	150-200	189	0.98
Perkins Restaurants	30,000	4.0%	4.0%	800-1,400	1,250	0.63
Pizza Hut	up to 15,000	3%-4%	1% **	N/A	631	N/A
Pizza Inn	17,500	4.0%	1.5%	150-300	410	0.54
Ponderosa Steakhouse	25,000	4.0%	4.0%	800-1300	961	1.09
Popeyes Famous Fried Chicken	25,000	5.0%	3.0%	250	744	0.34
Rally's Restaurants	20,000	4.0%	4.0%	350	936	0.37
Rex Restaurants	30,000	4.0%	4.0%	500-800	604	0.99
Round Table Pizza	25,000	4.0%	5.0%	300	579	0.52
Sbarro	35,000	5.0%	1.0%	300-600	810	0.74
Shakey's Pizza Parlors	25,000	4.5%	4.4%	400-800	697	0.90
Shoney's	25,000	3.0%	5.0%	900	1,479	0.61
ShowBiz Pizza Time	25,000	3.8%	3.0%	700-1,000	1,167	0.73
Sizzler Restaurants	30,000	4.5%	4.5%	1,100	1,323	0.72
Sonic Drive-Ins	15,000	1%-4%	7.5%	300-500	464	0.92
Subway Sandwiches & Salads	7,500	8.0%	2.5%	40	270	0.16
Taco Bell	35,000	5% ***	4.5%	650	802	0.81
Taco John's	16,500	4.0%	2.0%	75-150	311	0.24
Taste Freeze Ice Cream Stores	10-25,000	4.0%	2.0%	125-450	354	0.81
TREY Yogurt	20,000	4.0%	3.0%	100-182	207	0.48
Tony Roma's, A Place for Ribs	50,000	4.0%	0.5%	600-900	1,872	0.40
TIM Friday's	50,000	4.0%	2%-4%	2,000-2,500	3,388	0.60
Village Inn Restaurants	25,000	5.0%	0.0%	800-1,000	1,137	0.88
Wendy's Hamburgers	25-30,000	4.0%	4.0%	700-1,300	843	1.15
Western Sizzlin' Steak House	25,000	3.0%	0.5%	1,000-1,100	980	1.07
Wendolinger Drive-In Restaurants	150,000	5.0%	4.0%	500-800	734	0.68
Wienerschnitzel/Hamburger Stand	30,000	5.0%	4.0%	500-800	407	1.60
Winn-Dixie's Donut Houses	50,000	5.0%	3.0%	150-180	280	0.68

N/A = Not Available N/M = Not Meaningful

*Includes cash and debt. **2% 1st \$15K ***4% 1st 2 yrs.

Source: Technomic Inc., Entrepreneur Magazine, The Source Book of Franchise Opportunities.

FRANCHISING

1990-91 Systemwide Sales

by U.S. Company, U.S. Franchise and International (\$000,000)

SALES SUMMARY

Top 50 in Sales	1991 (\$Bil.)	1990 (\$Bil.)	1990-1991 % Change
U.S. Company-Owned	\$20.2	\$19.0	6.0%
U.S. Franchisee-Owned	\$41.8	\$39.8	5.0%
International	\$14.5	\$13.0	11.4%
Total Systemwide Sales	\$76.4	\$71.8	6.4%

Source: Technomic Inc.

Rank	Franchise System	1991 Company-Owned	1991 Franchisee-Owned	1991 International	1991 Total Systemwide	1990 Total Systemwide	Change from 1990
1	McDonald's	2,400 *	10,115 *	7,379 *	19,894 *	18,637	6.7%
2	Burger King	955 *	4,345 *	900 *	6,200 *	6,100	1.6%
3	KFC	1,370 *	1,930 *	2,800 **	6,100 **	5,800	5.2%
4	Pizza Hut	2,200 *	2,100 *	1,000	5,300	4,900	8.2%
5	Hardee's	1,270 *	2,285 *	45 *	3,600 *	3,400 *	5.9%
6	Wendy's Hamburgers	890 *	2,030 *	280 *	3,200 *	3,070	4.2%
7	Taco Bell	2,000 *	700 *	65 *	2,765 *	2,450	12.9%
8	Domino's Pizza	530 *	1,935 *	250 *	2,715 *	2,500	8.6%
9	Dairy Queen	2 *	2,103 *	265 *	2,370 *	2,280 *	3.9%
10	Little Caesars Pizza	400 *	1,240 *	60 *	1,700 **	1,452	17.1%
11	Arby's	166 *	1,372 *	160 *	1,698 *	1,503 *	13.0%
12	Denny's	1,220 *	315 *	72 *	1,607 *	1,550	3.7%
13	Subway Sandwiches & Salads	0	1,418	82	1,500	1,170 *	28.2%
14	Big Boy	230 *	830 *	60 *	1,120 *	1,100	1.8%
15	Dunkin' Donuts	2	915	181	1,098	947	15.0%
16	Shoney's	464 *	640 *	0	1,104 *	991	11.4%
17	Jack in the Box	688 *	330 *	1 *	1,019 *	944	7.9%
18	Sizzler Restaurants	331 *	515 *	154 *	1,000 *	1,014	-1.3%
19	Long John Silver's	545 *	250 *	5 *	800 **	781	2.4%
20	Ponderosa Steakhouse	359 *	389 *	36 *	785 *	686 *	14.4%
21	Baskin-Robbins	30 *	480 *	230 *	740 *	714 *	3.6%
22	Carl's Jr.	505	124	7	636	578	8.1%
23	TGI Friday's	388	116	40	544	505	7.9%
24	Popeyes Famous Fried Chicken	86	449	6	541	546 *	-0.9%
25	Sonic Drive-Ins	40 *	465 *	0	505 *	452	11.1%
26	Church's Fried Chicken	280	135	89	504	418 *	-2.7%
27	Perkins Restaurants	157	341	5	503	416 **	5.7%
28	Bonanza	2 *	410 *	65 *	477 *	5 **	-7.2%
29	Golden Corral	413	36	0	449	440	2.0%
30	Western Sizzlin' Steak House	5 *	425 *	5 *	435 *	451	-3.5%
31	Captain D's	245 *	188 *	0	433 *	414	4.7%
32	International House of Pancakes	40	347	28	415	384	8.1%
33	TCBY Yogurt	33 *	290 *	17 *	340 *	347 *	-2.1%
34	Whataburger Drive-In Restaurants	205 *	125 *	0	330 *	319	3.4%
35	Round Table Pizza	1 *	311 *	8 *	320	319	0.3%
36	ShowBiz Pizza Time	197 *	107 *	9 *	313 *	291	7.6%
37	Sbarro	200 *	70 *	25 *	295 *	271	8.9%
38	Applebee's Neighborhood Grill & Bar	36 *	257 *	0	293 *	228 **	28.2%
39	Ground Round	213 *	77 *	0	290 *	283	2.4%
40	Marie Callender's Pie Shops	150 *	121 *	0	271 *	265	2.3%
41	Tony Roma's, A Place for Ribs	27 *	190 *	45 *	262	238	10.1%
42	Village Inn Restaurants	139	106	0	245	228	7.9%
43	Godfather's Pizza	75 *	163 *	0	238 *	229	3.8%
44	Rally's Restaurants	100 *	135 *	0	235 *	203	15.7%
45	Del Taco/Naugles	170 *	48 *	0	218 *	215 *	1.4%
46	A & W Restaurants	10	159	47	216	197 *	9.4%
47	Krystal Hamburgers	204	5	0	209	199	5.0%
48	Rax Restaurants	69	139	0	208	301 *	-31.3%
49	El Pollo Loco	98 *	80 *	16 *	194 *	210 *	-7.6%
50	Shakey's Pizza Parlors	13 *	120 *	55 *	188 *	180	4.4%

* Restaurant Business/Technomic Estimate.

** Company Estimate. Note: All data in millions of dollars for calendar year.

UNIT SUMMARY

Top 50 in Units	1991	1990	% Change
U.S. Company-Owned	22,695	22,283	1.8%
U.S. Franchisee-Owned	63,299	60,220	5.1%
International	14,460	12,863	12.4%
Total Systemwide Units	100,454	95,366	5.3%

Source: Technomic Inc.

1990-91 Systemwide Units

by U.S. Company, U.S. Franchise and International

Rank	Franchise System	1991 Company-Owned	1991 Franchisee-Owned	1991 International	1991 Total Systemwide	1990 Total Systemwide	Change from 1990
1	McDonald's	1,427 *	7,376 *	3,627 *	12,430 *	11,756	5.7%
2	Pizza Hut	3,550	3,450	1,500	8,500	8,040	5.7%
3	KFC	1,870	3,186	3,424	8,480	8,187	3.6%
4	Burger King	950	4,748 *	1,000 *	6,698 *	6,298	6.4%
5	Subway Sandwiches & Salads	1	5,850	330	6,181	5,014	23.3%
6	Domino's Pizza	1,100	4,020	480	5,600	5,376	4.2%
7	Dairy Queen	5 *	4,610 *	590 *	5,205 *	5,209	-0.1%
8	Hardee's	1,405 *	2,775 *	50 *	4,230 *	4,067 *	4.0%
9	Little Caesars Pizza	857 **	2,837 **	129 **	3,823 **	3,276	16.7%
10	Wendy's Hamburgers	1,079	2,335	327	3,741	3,727	0.4%
11	Taco Bell	1,960 *	1,460 *	80	3,500 *	3,273	6.9%
12	Baskin-Robbins	135 *	2,140 *	1,040 *	3,315 *	3,318	-0.1%
13	Dunkin' Donuts	2	2,146	607	2,755	2,042	34.9%
14	Arby's	245 *	2,162 *	242 *	2,649 *	2,529 *	4.7%
15	TCBY Yogurt	170 *	1,558 *	72 *	1,800 *	1,847	-2.5%
16	Long John Silver's	990	470	10	1,470	1,446	1.0%
17	Denny's	994 *	319 *	64 *	1,377 *	1,358	1.4%
18	Sonic Drive-Ins	81	1,061	0	1,142 *	1,043	9.5%
19	Church's Fried Chicken	671	350	115	1,136	1,164	-2.4%
20	Jack in the Box	684	404	1	1,089	1,040	4.7%
21	Big Boy	200 *	720 *	60 *	980 *	970	1.0%
22	Popeyes Famous Fried Chicken	129	665	13	807	785	2.8%
23	Ponderosa Steakhouse	396	379	32	807	759 *	6.3%
24	Shoney's	307	481	0	788	734	7.4%
25	A & W Restaurants	12	628	73	713	763 *	-6.6%
26	Captain D's	358	281	0	639	633	0.9%
27	Carl's Jr.	410	190	11	611	588	3.9%
28	Carvel Ice Cream Bakery	11	571	9	591	645	-8.4%
29	Round Table Pizza	1	570	10	581	567	2.5%
30	Orange Julius of America	0 *	432 *	148 *	580 *	614	-5.5%
31	Winchell's Donut Houses	500 *	60 *	0 *	560 *	500	-3.4%
32	Sbarro	390 *	100 *	40 *	530	460	15.2%
33	Godfather's Pizza	161	350	0	511	512	-0.2%
34	International House of Pancakes	55	423	22	500	490	2.0%
35	Blimpie	0	474	0	474	398	19.1%
36	Whataburger Drive-In Restaurants	285 *	175 *	0	460 *	452	1.8%
37	Bonanza	2 *	380 *	80 *	442 *	484	-8.7%
38	Western Sizzlin' Steak House	5 *	435 *	2 *	442 *	447	-1.1%
39	Golden Corral	380	61	0	441	459	-3.9%
40	Taco John's	9	432	0	441	445	-0.9%
41	Perkins Restaurants	117	285	5	407	405	0.5%
42	Pizza Inn	5	370 *	0	375 *	420	-10.7%
43	Shakey's Pizza Parlors	20	187	180 *	367 *	376	-2.4%
44	Tastee Freez Ice Cream Stores	0	345 *	13 *	358 *	362	-1.1%
45	Del Taco/Maugies	261 *	81 *	0	342 *	340	0.6%
46	Wienerschnitzel/Hamburger Stand	99	238	0	337	339	-0.6%
47	Rally's Restaurants	116	217	0	333	297	12.1%
48	Haagen-Dazs	2	240	85 *	327 *	377 *	-13.3%
49	Rax Restaurants	127	187	0	314	388	-19.1%
50	ShowBiz Pizza Time	161	105	9	275	267	3.0%

* Restaurant Business/Technomic Estimate

** Company Estimate. Note: All data for calendar year.



COUNTRY & BARBECUE

MARKET SEGMENT REPORT

In his new book *The Pursuit of Pleasure*, anthropologist Lionel Tiger implies that when Americans pack their kids in the Honda wagon and head out to the local barbecue joint for brisket on a bun, they're lured by more than friendly service and affordable prices. The "smoky tastes" of barbecued meats "recall Sunday dinner at the hearth of the first family cave," Tiger writes, noting that we get a "primordial" kick out of the taste of smoke, "always surrounded by the magnetic aroma of charring fat."

Operators of barbecue restaurants talk about value instead of cavemen when explaining the success of their businesses. But their sales and traffic reports support Tiger's assertion that flame-cooked meals remain popular. Despite the country's troubled economy, business at barbecue restaurants is smokin'.

Many hole-in-the-wall shacks that have packed 'em in for decades with nary a frill have grown recently into regional chains with sophisticated management teams. Start-up chains are growing like gangbusters with '80s-style speed. Only the nation's largest chains have succumbed to this decade's financially choking reins, but even the flat sales these chains report aren't necessarily bad news in 1992.

Barbecue's cousin, country-style restaurants, haven't enjoyed the same fly-in-the-face-of-recession success, but their family atmospheres and home-style menus have also fared well so far this decade. Chains continue to grow at a steady pace, methodically opening new units and increasing per-store sales as they have for a decade. Independents, too, find that families are still willing to pay for a taste of mama's cooking—as long as mama doesn't have to put down her briefcase and heat up the skillet herself.

SURE BET. The comfortable atmosphere and heaping plates of sure-bet foods common at barbecue and country cooking restau-

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Start-up barbecue chains are growing like gangbusters.

By Rona Feldman

In Oneonta, N.Y.,
Brooks House of
Bar-B-Q serves 1,800
people a day on
summer weekends.
Chickens are
roasted over charcoal
in an open pit.





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rants attract belt-tightening customers from both sides of the track, giving these concepts a large potential base. "I look in my dining rooms and I see doctors, lawyers, and truck drivers," says Bill Moon, vice president of franchise development for Woody's BarBQ of Jacksonville, Fla.

Business has increased for other reasons, too. Some operators say they profit from diners who have traded down. "People are moving out of white linen restaurants and into casual restaurants like Olive Garden, Chili's, Bennigan's, and barbecue places," observes Bob Friedman, president of Arlington, Va.-based Red Hot & Blue.

And when Americans who have never gone upscale do decide to splurge today, some observe, it's on the small frills rather than the big ones. "My experience has been that during recessionary

periods, people stop buying TVs, cars, and new homes," says Bob Peterson, president of Gridley's Fine Bar-B-Q, Memphis, Tenn. "They use whatever extra money they do have to take the family out to dinner."

Both barbecue and country restaurants are naturals for families. They're usually casual, sporting rustic or homey decors, with dinners often priced under \$10, frequently under \$12. "We're good for families with two wage earners," says Angelo Pitillo, president of Dallas-based Black-Eyed Pea. "We can easily accommodate kids, parents don't feel uncomfortable if their children get noisy, and dinners cost under \$7."

RED MEAT HEAVEN. Whether diners arrive with families or alone, in dilapidated pickup trucks or shiny new Cadillacs, however, most bring with them a yen for smoked pork or beef,

whichever is the region's specialty. Chicken sales exceed those for red meats only in some Northeastern places, where it has always been popular, and in health-conscious California.

"Ninety-five percent of my business is pork," reports Barry Pelts, vice president of Corky's, Memphis, Tenn. "When people have got a taste for something, it's hard to stop eating it." What about cholesterol concerns? "I don't think ribs are going away at all," predicts Tim Ruys, executive vice president of Dallas-based Sonny Bryan's Smokehouse. "People save their splurge for the dining-out experience."

Many operators are quick to point out that today's beef and pork are leaner products, and that barbecuing adds no extra fat. Mike Jolly, president of Luther's Bar-B-Q, Houston, Texas, went so far as to have nutritionists compare the fat content of the chain's brisket with that of chicken. Brisket, he reports, had fewer grams of fat per ounce.

That's not to say that poultry and fish don't have their place. At least one of these has been added to the menu of every restaurant interviewed; however, operators say customers buy no more or less of it today than they did six months after the introductions.

Sonny Bryan's Smokehouse, a shack gone savvy, exemplifies many barbecue industry trends. After 82 years of business in one 26-seat location, this company's business has quintupled. An investor group bought the restaurant from its namesake three years ago, and within the last half-year, opened four units. The original Sonny Bryan's is so popular that Texans hurry over to the Inwood section of Dallas by 1 p.m., when the day's 15 lb. of barbecued brisket usually run out. Customers eat their \$6 hickory-smoked lunches at old school desks.

Last April, the new owners opened a 260-seat Sonny Bryan's in Dallas' West End restaurant hub, serving an expanded menu—including turkey—in an air-conditioned, 5,400-sq.-ft. space. Three more table-service units opened thereafter, including a lunch counter in a

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Sonny's Real Pit Bar-B-Q has an average check of only \$7.



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downtown office building and a small shop inside a Macy's department store.

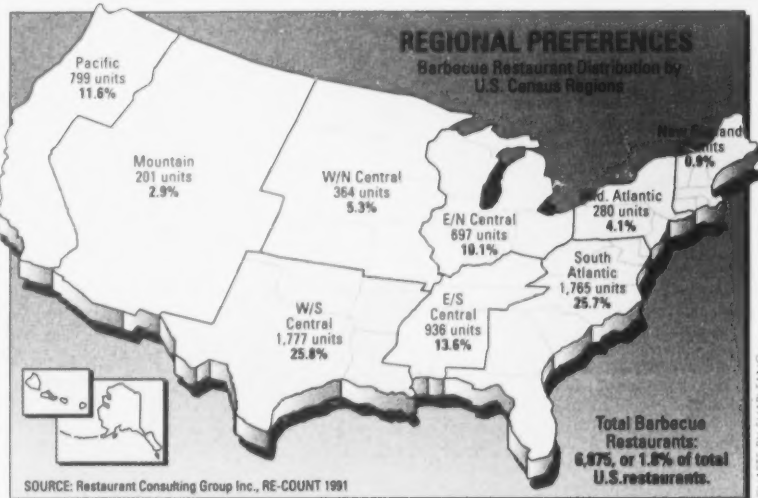
Simultaneously, Sonny Bryan's began offering catering and mail order. American Airlines has since hired the chain to cater events on an eight-city international tour. The mail-order arm filled 1,000 smoked turkey and smoked ham orders last year and early projections indicate that five times as many orders might arrive this year.

The new ventures have proved profitable. According to Ruys, the West End restaurant alone, where dinner checks average \$11.50, should gross \$1.4 million this year. Catering and mail order together will bring in another \$1.5 million. Systemwide sales will reach \$4.5 million, he predicts.

NATURAL CHANGES. Local investors also changed the nature of Gridley's Fine Bar-B-Q, a favorite since 1975. According to president Peterson, who took over the chain with a group of local investors last May, Gridley's had shrunk to two company-owned and one franchised restaurant; at founder Clyde Gridley's death in 1984, there had been four company and several franchised restaurants.

The group set to work remodeling the interiors with warm cinnamon-colored wallpaper, whitewashed cedar, and brick, as well as murals by a local artist. They also upgraded meat and shrimp purchases, and added drive-thru windows to both company-owned, 10,000-sq.-ft. restaurants.

Checks average \$11 per person, with a typical ribs-for-two dinner priced at \$15.95. Sales for Gridley's pork shoulder and rib dinners, hickory-smoked overnight in an open pit, have risen to \$2.5 million for the two company-owned restaurants. Looking to raise that fig-



ure further, management has four goals: Boost drive-thru business from 20% of sales to 50%; better market menu items that don't sell well; increase the number of private parties hosted in its 200-seat dining rooms; and, open a third Memphis unit in May.

Corky's, also of Memphis, went seven years as a solo restaurant until August 1991, when the first of what are scheduled to be many franchised units opened in Jackson, Tenn. Last year, Corky's sold master franchise rights for 48 states to one investor group, and plans to sign over Louisiana and Arkansas to another group shortly.

The owners might also open a second store of their own in Memphis. Customers at the original unit wait up to two hours for a taste of Corky's ribs and pork shoulder, which the staff cooks for 12 hours in an electric rotisserie oven containing hickory logs. Diners eat in an 89-seat, '50s-style room.

Fully half of the restaurant's estimated \$5.4 million annual sales come through the drive-thru window; other revenue sources include catering, mail order, and bulk orders to nearby corporations. Rib dinners start at \$8.95, with a slab of ribs for two priced at \$15.95, and a pork dinner at \$5.95. Checks average \$7 at lunch, \$10 at dinner.

Small chains, too, have been expanding aggressively this decade. Red Hot &

Blue has grown from one restaurant in December 1988 to eight today, with seven scheduled to open by year's end. Five to 10 new stores a year are on the drawing board after that.

Red Hot & Blue restaurants serve Memphis-style pork ribs and pork shoulder, as well as barbecued chicken and beef brisket, in dining rooms covered with blues memorabilia. Blues music taped from private collections is played all the time. Drive-thru and catered meals are also available.

Red Hot & Blue's hickory-holding metal smokers are parked in office and shopping centers along the East Coast from Virginia down to Florida. All stores except the original are franchised. With lunch checks averaging \$7 and dinner checks nearing \$13, Red Hot & Blue is generating annual sales of \$1.5 million to \$2 million per store, for a projected systemwide sales figure of \$10 million this year.

After a slowdown during the Gulf War, Damon's The Place For Ribs out of Hilton Head, S.C., has gotten cooking on new units, and now has two company and two franchised stores under construction. The 46-unit chain, which specializes in chargrilled ribs slathered with its own sauce and served in a casual dining atmosphere, will grow with two relatively new concepts. Damon's

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**Country-style
chains are growing
at a steady pace.**



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Number-two chain Bobby Rubino's U.S.A. specializes in barbecued ribs served in a casual atmosphere.

280-seat Clubhouse concept features two dining rooms; one is standard, and the other is sports-oriented. Damon's Clubhouse averages \$3 million in sales, far more than the \$1.8 million generated in the traditional, 180-seat units.

Cafe Damon's, weighing in with only 110 seats, has the same wine, green, and cream decor and Tiffany-style lamps as its older siblings, but costs less to build, according to chairman Irv Rossman. The first Cafe Damon's opened on St. Simons Island, Ga., last summer and will gross approximately \$1.4 million its first year, Rossman predicts.

With a rib dinner ringing in at \$11.95 for a \$13.95 average check, Damon's restaurants, located in 14 states east of the Mississippi (with one unit in England), will pull in sales of \$100 million this year, Rossman says.

In New York City, \$2.95 quarter-

chicken dinners, cooked on a rotisserie and sauced by diners at the table, is big business for Dallas BBQ. The company, owned by Herb Wetson and his son Greg, has grown to four stores in 11 years and is seeking locations outside Manhattan. Wetson acknowledges he turns tables several times a day in each of the 200- to 350-seat restaurants. "I'm a high-volume feeder," he notes. "At these cheap prices we need volume to exist."

Twelve-year-old Woody's BarBQ didn't start franchising until 1989, but growth has picked up considerably since. The chain's 26th unit opened in February, and up to 15 more are scheduled to debut by year's end. Woody's customers seat themselves at picnic tables to indulge in wood-smoked pork, chicken, beef, turkey, ribs, baby back ribs, and more, doling out a competitive \$4.70 for lunch, \$5.50 for dinner.

All-you-can-eat specials help keep traffic up on week nights. Most Woody's are located in strip centers; they average \$900,000 in annual sales. Systemwide sales are \$20 million a year.

Competitor Sonny's Real Pit Bar-B-Q out of Orlando, Fla., changed hands a year ago, and per-store sales have been up every month since, reports president Bob Yarmuth, formerly a franchisee. Few stores have raised prices, he notes, and prices were cut 6% in four units. Like Woody's, 80-unit Sonny's features a large menu of smoked meats in a rustic, casual atmosphere. Checks average \$7, and the average store grosses \$1

million annually. "We're a family-style place with fast-food prices," Yarmuth says. Systemwide sales approach \$84 million annually.

Yarmuth's first priority is to "shore up foundations." He is in the process of revising operations manuals, devising marketing programs, and developing leadership. "Along the way, we will develop 15 to 20 stores with existing franchisees," he says, but no more than two new franchises a year will be added to the system.

Luther's Bar-B-Q is a regional chain. Opening its 20th unit this month and going strong, Luther's is filling in its Texas, Louisiana, and Colorado markets. Luther's slow-cooks its beef brisket, pork spare ribs, link sausage, chicken, ham, and pork over hickory wood in enclosed pits. Diners indulge in their \$6.50 dinners and \$3 luncheon sandwiches surrounded by cedar walls and Western memorabilia.

Luther's formula has been profitable for 17 years. With average checks of \$6.50, the typical 200-seat restaurant generates \$1.5 million a year in sales; systemwide sales are \$30 million. Last year, same-store sales rose 7%; systemwide sales were up 10%. Two new restaurants will open this year.

Since offering franchises two years ago, Springfield, Mo.-based Trotters has grown from three restaurants to seven with two more planned by summer. Fairly upscale in design with tiles, skylights, and sunken dining areas, Trotter's is as much an all-you-can-eat

**Low price points
and homey fare
appeal to families.**

concept as it is a fancy barbecue joint.

Trotter's specializes in Kansas City-style barbecue, according to director of operations and franchising Jon Garnier, meaning spare ribs, brisket, ham, and pork are slow-smoked in hickory pits. An \$8.50 brisket dinner comes with unlimited access to a 90-item food and dessert bar. Hot breads, casseroles, vegetables, soups, and salads accompany all meals, and cheesecake and ice cream are typical after-dinner choices. The two original units in Springfield also offer 25 varieties of pies for dessert.

The food bars alone cost \$5.20, and their popularity brings the average check down to \$7.85. Regional economies have left same-store sales flat, Garnier says. Restaurants average \$2.75 million in annual sales for a systemwide tag of \$10 million. Older restaurants seat 165; new ones seat 275.

The granddaddy of barbecue chains, 20-year-old Tony Roma's, A Place for

Ribs, has also experienced mixed sales results. "In 1991, it was a very mixed bag," says president and CEO Ken Reimer, referring to troubles in the New York, California, and Florida markets but strong sales elsewhere. Systemwide revenues fell 4.1% in fiscal 1991, for a total of \$240 million.

Still, the Dallas-based, 147-unit chain has continued expansion, slowing to 10 new units in 1992 after opening 15 in 1991. Aiming to increase same-store sales, the table-service, casual restaurants recently rolled out new products. The chain's signature baby back ribs are now available in half-slab dinner portions, for example. "We've always given huge quantities including full slab dinners," Reimer explains, "but times are changing and we find that many women prefer a smaller portion for a lower price."

Two new salads, a chicken Caesar and the Southwestern Mesa Verde, have

captured 15% of lunch sales. Standard dark-wood decors are being perked up with neon, more brick, and more artifacts. A full-slab rib dinner runs \$10.95 at Tony Roma's, with checks averaging \$12. Average unit sales are \$1.9 million.

FLAT SALES. At number-two chain Bobby Rubino's U.S.A., with 92 restaurants, systemwide sales have remained flat for two years, but annual unit volumes have climbed to \$2.3 million. Bobby Rubino's specializes in barbecued ribs served in a casual atmosphere decorated with light wood and Tiffany-style lamps.

Although barbecue still accounts for 70% of sales, with ribs alone accounting for 30% of sales, the Ft. Lauderdale, Fla.-based chain went after the lunch trade by introducing budget-minded daytime items last summer. Grilled chicken, shrimp, steak, mahimahi, and salmon are now on the lunch menu, along with new chicken breast sandwiches.

Lunch entrees cost about \$3.95, for a check average of \$6, putting the chain "back into that arena of places to go for lunch," explains director of advertising and marketing Janice Weinsoff. Lunch sales during the heavily marketed roll-out rose 48%, and have since settled in at 25% more than before. Dinner checks remained steady at \$12.

In Chicago, five-unit Carson's The Place For Ribs has changed little. The family-owned chain is opening its first new restaurant in five years in a northern suburb, and made that move only because the lease for another will run out in 1995. Carson smokes its barbecue in a gas-powered rotisserie containing hickory wood. Chicagoans still visit the limited-menu, white-tablecloth establishments for barbecued ribs, which account for 80% of sales, but revenues haven't changed significantly over the past year.

Annual unit volumes range from \$2.3 million to \$5.5 million, with systemwide sales at \$15 million a year. Checks average \$17 per person, with a slab-of-ribs dinner running about \$14.50.

Executives of most barbecue chains point to casual restaurants such as Chili's and Bennigan's as their prime

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The Dallas-based Black-Eyed Pea chain features home-style foods.



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competition, since decors and prices are similar. Many such chains feature barbecue as a small portion of their menu.

Barbecued ribs and chicken are so popular at Carlos Murphy's, however, that executives feel they must leave them on the menu—even though the chain's once-extensive menu was pared down to mostly Mexican food about six years ago.

Customers have developed such a taste for the San Diego, Calif.-based chain's barbecue sauce, in fact, that they often request it as a french fry condiment and order it by the quart to take home. Carlos Murphy's makes its sauce with brown sugar, sautéed onions, chili sauce, steak sauce, and seasonings. It pressure-smokes the sauced meat over hickory for many hours.

Even with price tags from \$7.95 to \$13.95, according to food & beverage director Rick Narde, barbecued menu items increase Carlos Murphy's food costs. Most Mexican chains, he says, put no more than 25% of revenues toward food, but barbecue's 50% food cost brings Carlos Murphy's average to 29%. Barbecue accounts for 7.5% of sales.

Carlos Murphy's has restaurants on both coasts and in Illinois and Michigan. Each restaurant averages \$2.2 million a year, and, with no new units, the chain posted its highest systemwide sales last year at \$39.6 million.

While chains shake, rattle, and roll, independents—long the source of America's most-loved barbecue—hold their own in small towns and big cities throughout the country. In Oneonta, N.Y., the Brooks family has been serving barbecued chicken for 43 years.

NO CHICKEN FEED. Chickens at Brooks House of Bar-B-Q are basted with a mixture of vinegar, oil, salt, pepper, and eggs and roasted over charcoal in an open pit. Beef and ribs are cooked the same way, but brown sugar, ketchup, and butter comprise their sauce. Brooks serves 1,500 to 1,800 people a day on summer weekends in its Colonial dining room. Adding on meals it caters in 18 surrounding counties, Brooks serves 18,000 chicken halves a week during the summer. The recession



Country Kitchen has broadened its menu with chicken and beef stir-fries.

hasn't slowed business down a bit. With a chicken dinner running \$5.50 and cheeks averaging \$6, tourists, local residents, and college students still line up for a low-ticket night out at Brooks.

In addition, catering business has remained strong because many catering clients mark up prices on Brooks' products and profit from selling them. Brooks began bottling its sauces a year ago and has sold 17,000 bottles.

Sales have risen every month at both relatively new Cleveland-area Pacers. Charbroiled spareribs, as well as beef, shrimp, and pork, each covered with a tomato-based sauce, account for 80% of sales at these upbeat establishments, which are preparing to hit their second and fourth birthdays. Sales at each restaurant are \$1.5 million a year.

Both Pacers are contemporary, fun places with neon and mirrors perking up an otherwise woodsy, tavern-like decor. Families and young couples visit regularly for \$8.50 barbecue dinners, racking up \$11 checks. In addition to the Euclid and Lakewood, Ohio, restaurants, Pacers sells some of its barbecue items at a racetrack stand during the summer. Catering and bottles of sauce increase sales further.

Californians continue to buy barbecue at Benny's Bar-B-Q, where owner Melissa Jones cooks it up à la Marina del Rey. Benny's smokes its beef and pork ribs, chicken, turkey, ham, and homemade sausages in a brick oven over white oak wood. It will also smoke customers' turkeys, ducks, and geese when

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COUNTRY & BARBECUE

MARKET SEGMENT REPORT

they bring in the poultry raw.

Jones serves her barbecue with brisket-flavored baked beans in a country-style dining room, where articles about the restaurant cover the walls, and retail spice and sauce bottles are displayed for sale. Local singles and businesspeople stop in for \$8.50 dinners, building \$10 checks. Jones, who is seeking investors for a second unit, won't reveal annual sales figures.

After sampling barbecue on a visit to Florida, Dr. Joseph Haller of Altoona, Pa., wished he could get some in his hometown—so he opened a place called Jethro's. That was 10 years ago, and sales have risen every year since, according to Ron Ireland, vice president of operations for parent Haller Management Development Co. Ireland declined to give details on sales.

Jethro is a fictional prospector who came to the scenic mountain area of Horseshoe Curve on his "ornery mule No. 7," the restaurant's menu explains. Jethro's flavors baby back ribs, chicken, shrimp, and steaks with liquid smoke, and bakes and sautes them.

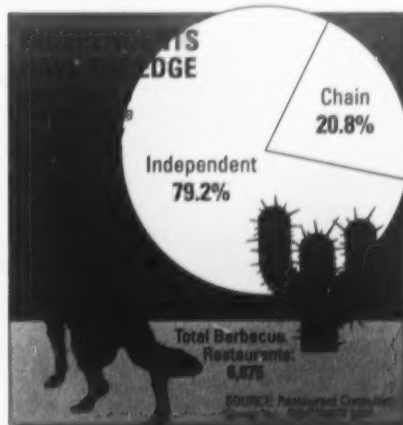
Accounting for 60% of sales, Jethro's barbecue is now available in State College, Pa., as well as at the original Altoona restaurant. Because this style

of barbecue was new to the market, Haller found diners hesitant to try it; he therefore expanded his menu to include "something for everyone," says Ireland, including many Italian specialties. A full rack of ribs dinner is priced at \$13.50, and checks average \$9.35 exclusive of alcoholic beverages.

COUNTRY COOKING. Like barbecue restaurants, country cooking establishments are often independently owned local institutions. And, like the barbecue segment, chains have captured a sizable portion of the niche.

Ellena Parrino brought a touch of country to New York City with Miss Elle's Homesick Bar & Grill, described as "home cooking with an Italian accent." Although Miss Elle's features a long list of pasta dishes, it's pot roast, meatloaf, and pork chops that sell best—and that in the trendy Upper West Side neighborhood where few restaurants carry red meat at all. Side dishes include creamed spinach, candied yams, and mashed potatoes.

Families, seniors, and yuppies have slowly begun to find solace in Miss Elle's lace curtains, family portraits, and hearty servings since its August



1991 opening. Dinners run from \$8.50 to \$14.40, and checks average \$17.50 per person. Miss Elle's has 84 seats divided into three dining rooms on two floors.

Black-Eyed Pea also features home-style cooking, which executives are quick to differentiate from the Southern-style country cooking that marks the company's five Dixie House restaurants. Black-Eyed Pea, the growth vehicle, specializes in fresh vegetables prepared to regional tastes, old-fashioned dinners like pot roast and chicken-fried steak, and homey desserts like cobblers. New items range from grilled tuna steak to a 14-oz. T-bone, and roast stuffed pork and a Volcano Fudge dessert are scheduled for rollout.

Black-Eyed Pea is in an expansion mode, with 25 restaurants this year scheduled to join the 96 company-owned and franchised units already blanketing the South, and another 30 on the board for 1993. Unit volumes, which have risen every year since the chain's inception, top \$1.7 million, according to president Pitillo. Systemwide sales for 1991 were \$150 million.

Black-Eyed Pea dining rooms feature natural woods, wallpaper, and old kitchen artifacts. Each unit has a mural depicting 100 years of trading in its area. Checks average just under \$7.

After spending eight months under bankruptcy protection, beginning in 1989, Nashville, Tenn.-based PoFolks claims to be making a comeback.

continued on page 164



Twenty-year-old Tony Roma's is the granddaddy of barbecue chains.



COUNTRY & BARBECUE

MARKET SEGMENT REPORT

According to vice president of operations Jay McCormack, the chain last year bought 20 units from franchisees, and now has a total of 57 company stores and 78 franchised ones. Seven new stores opened, as well, and another 15 are scheduled by year's end 1992.

Unit volumes averaged \$1.25 million in 1991, with systemwide sales topping \$160 million. Same-store sales were up 9% during the first few weeks of 1992.

PoFolks serves homestyle cooking in cheerful, mauve-and-blue dining rooms located in 14 primarily Southern states. Country-fried steak and Blue-Ribbon fried chicken sell best, and fast-food-style, eight-piece fried chicken buckets for \$3.99 have added incremental sales. "Hearty homestyle dinners" such as meatloaf, pot roast, and grilled trout, priced at \$4.99, will be rolled out shortly.

SLASHING COSTS. To keep profits high, PoFolks recently slashed 40% of corporate- and field-office employees from the payroll. It also cut food costs by marketing higher-profit menu items, cut labor costs by introducing a system for pay raises, and fostered loyalty by promoting 75% of new managers from within. New programs aimed at improving operations, food quality, service, and marketing are underway.

To increase traffic, PoFolks recently began running print advertisements regularly. Previously, only occasional radio and TV ads were used.

Lebanon, Tenn.-based Cracker Barrel Old Country Store is in the midst of a five-year, 20%-a-year growth mode, and the nation's recession hasn't daunted this 117-unit country-cooking chain a bit. Cracker Barrel is scheduled to have 127 restaurants by July, and same-stores sales have grown annually to \$3 million, according to marketing manager Sonya Fields Harper.

Cracker Barrel restaurants, which



Regional chain Luther's Bar-B-Q garners average checks of \$6.50.

are all owned and operated by the company, are located in 17 Southern and Midwestern states; Louisiana and Wisconsin are its newest markets.

Menus feature Americana basics such as grits, biscuits, chicken and dumplings, catfish, and turnip greens. No menu item costs more than \$9.99. Retail sales of sorghum molasses, hoop cheese, dolls, and wood crafts carry out the theme. Restaurants seat 150 to 180. Systemwide sales are reported to be \$300 million a year.

Competitor Bob Evans Farms is also growing aggressively. Plans call for 20 new restaurants every year, all in its current Midwest and Southern markets. Bob Evans serves sausages, chicken and noodle dinners, meatloaf, barbecued ribs, and chicken-fried steak in restaurants decorated in "Steamboat Victorian" style, according to Roger Williams, group vice president of the 262-unit, Columbus, Ohio-based firm.

A recent redesign changed Bob Evans dining rooms from clamorous rooms with open-kitchens and red-and-white-checked tablecloths to closed-off areas decorated in shades of burgundy and natural wood. Checks average \$5,

same-store sales have risen to an average of \$1.5 million a year, and systemwide sales are \$400 million.

Minneapolis, Minn.-based Country Kitchen has been closing underperforming units and opening new ones, mostly in its Midwest stronghold. As a result, the chain still has 245 restaurants, but same-store sales have risen to \$778,000, for a systemwide total of \$190 million. All Country Kitchen restaurants are franchised. Country Kitchen has been "trying to bridge the gap between casual dining and coffee shops," says director of advertising and sales promotion Doug Anderson. Stir-fry dishes and chicken entrees have joined more traditional menu items. Stir-fry sales were so strong during a recent promotion that they captured from 8% to 14% of unit totals. Checks average \$5.50.

In good times and bad, it seems, hearty American cooking just never goes out of style. People get tired of eating "designer" food at "two bites for \$30," says Ellena Parrino of Miss Elle's. And as for barbecue: Well, "It's barbecue, man," says Mike Jolley of Luther's. "In Texas, you've just got to eat barbecue; it's in the genes."

RR

Cracker Barrel

is in a five-year
growth mode.

APRIL 10, 1992
A BILL PUBLICATION

RR

FRONT BUSINESS

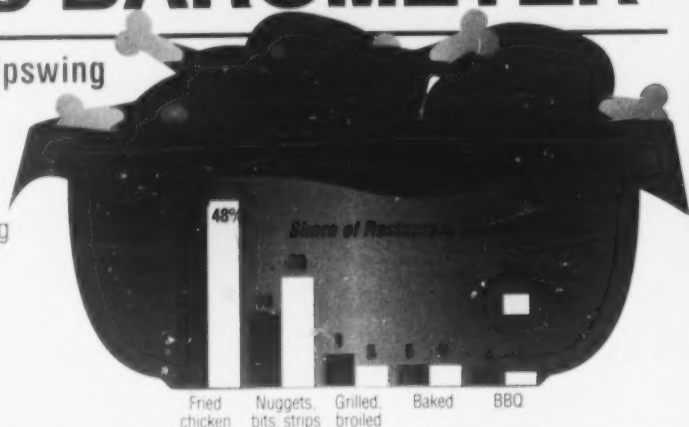
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BUSINESS BAROMETER

Fried Chicken Orders Are On Upswing

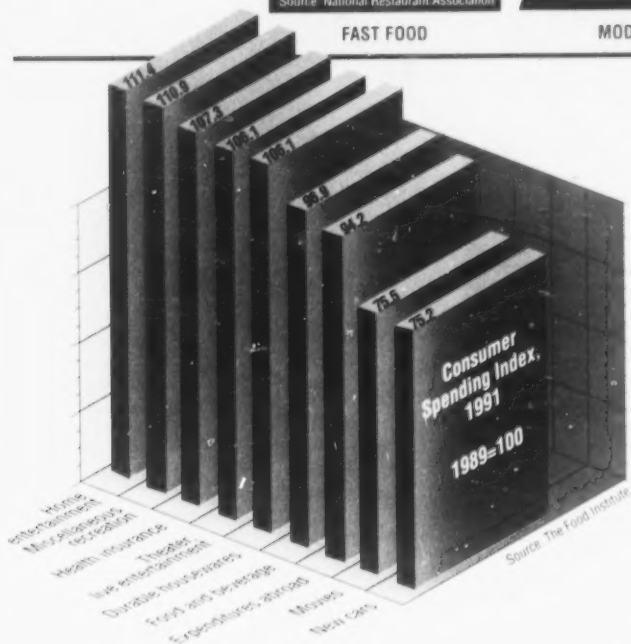
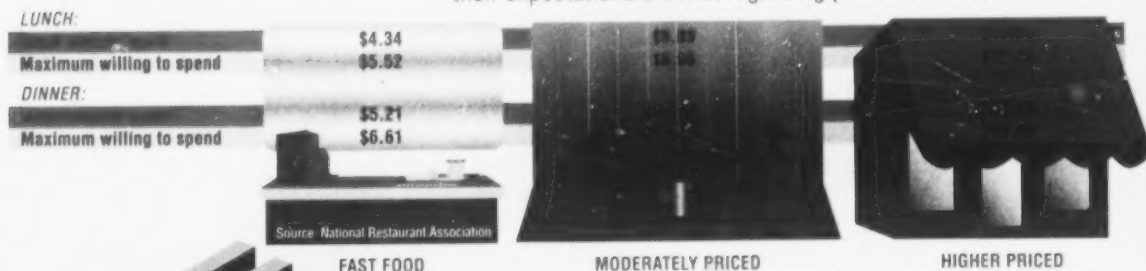
Fried chicken is making a comeback. New research shows that orders of fried chicken—spurned by many consumers during the late 1980s—have surged, making for one of the biggest gainers of all poultry entrees. One reason: family-style buckets have been value priced. Chicken nuggets have dropped in popularity.



Source: National Restaurant Association

Customers Not As Price Resistant As You Think

How much are customers willing to spend on a meal? A recently released consumer survey shows some surprising news: that they are agreeable to spending up to about 30% more, assuming their expectations are met regarding perceived value.



How Food, Beverage Spending Compares With Other Categories

Food and beverage purchases are below 1989 levels on a constant dollar basis. But they're higher than expenditures for such things as new cars and movies. Consumer spending has recently been greater for theater, durable housewares, and home entertainment.

Charts by Peter K. Niceberg

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Can owner
Tom Monaghan
mend Domino's
broken spirit and
revive the pizza
delivery company's
flagging fortunes?
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COVER STORY

DOMINO'S DILEMMA. Does Domino's have the money and marketing know-how to fight the deep pockets of PepsiCo's Pizza Hut or the cost-friendly products of Little Caesars? Can the broken spirit of the Domino's "family"—born of Tom Monaghan's aborted attempt to sell the company—be mended? Can Monaghan's latest executive team—the third in seven years—turn a millionaire's plaything into a real company grounded on sound business practice? In short, will Domino's Pizza survive? 78

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WAKEUP CALL AT WENDY'S. A short-lived breakfast program led the list of blunders that threw Wendy's International into a financial and operational tailspin in the mid-1980s. But with a hard-fought turnaround well in hand, some wonder if it's time for the fast feeder to rethink its morning-meal strategy. 56

WHAT HAPPENED TO SOUS VIDE? Five years ago, this convenience food process seemed on the verge of a break-

through in the U.S. Many thought the technology would revolutionize foodservice with "kitchenless restaurants." Between bad luck and bungled marketing, the sous-vide business in the U.S. remains underdeveloped, by most accounts far less than the billion-dollar market predicted. Despite that, proponents say it's poised for a takeoff. 64

MARKET SEGMENT REPORT MEXICAN. The segment's phenomenal growth spurt of the '80s has slowed, but it's still growing—especially in the quick-service restaurant category. Midscale Mexican establishments are fighting all of the non-segment chains that have added Mexican items to their menus for market share. Upscale restaurants are focusing on authenticity and quality. 127



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Reprints of the 1991 **RESTAURANT GROWTH INDEX** and 1992 **FRANCHISING REPORT** are available for \$7 per copy. Direct inquiries to Editor Scott Allmendinger, *Restaurant Business*, 633 Third Ave., New York, NY 10017.

IN THE NEXT ISSUE

COVER STORY DRUGS IN THE WORKPLACE. Recently, three employees at a Chicago McDonald's unit were arrested for selling crack. Incidences like these are becoming more common in the industry. This will be an in-depth report on restaurants as a narcotics distribution point and as a place for drug abuse.

EUROPE LAND OF OPPORTUNITY. Will 1992 show significant restaurant development in Europe or is it more hype than anything else? This article will report on expansion problems and possibilities.

SPECIAL FEATURE THE EFFECT OF VALUE MENUS. *RB* examines the rise of value menus and how they've affected the industry. The high-price chef has been particularly hard hit; offering an expensive menu has been tough in this economy, and the abundance of cheaper options doesn't help.

MARKET SEGMENT REPORT ICE CREAM & FROZEN YOGURT. There's still a shakeout going on. Yogurt-only chains continue to suffer, feeling the effects of the recession and market saturation—everyone has added yogurt to their menu, and not just the ice cream chains.



TEST KITCHEN:
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SANITATION TRAINING TAPES

Get that 'ounce of prevention' with **RB** magazine's professionally produced, easy-to-absorb video tapes. Provides up to 50 minutes of instruction on sanitary practices. Each tape can be used independently or as a set and includes a 'Leader's Guide' to show how to conduct group discussions and written exams.



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RESTAURANT BUSINESS/APRIL 10, 1992



MEXICAN

MARKET SEGMENT REPORT

America's appetite for the tastes of Mexico grows each day. Nevertheless, few chains are capitalizing on it. "There are growth opportunities in Mexican restaurants on the demand side, but very few players have the resources for growth," says Mike Casey, CEO of Irvine, Calif.-based El Torito Mexican restaurants.

Mexican and related Tex-Mex and Southwestern cuisines give consumers lively flavors, price/value, and casual good times. The food is growing in popularity in the Midwest, Southeast, and Northeast, areas far removed from its West Coast and Southwest hotbeds. Mexican items are showing up on all sorts of menus outside the segment. Pizzeria Uno has chicken and steak fajitas. Burger King and McDonald's boast breakfast burritos. The Saloon, a Chicago steakhouse, has a Santa Fe Brunch on the weekends with smoked duck tostadas.

The number of Mexican restaurants in the U.S. has grown from 13,034 in 1985 to 18,339 in 1991, a vigorous

Units increased a

whopping 41%

from '85 to '91.

By James Scarpa

Taco John's president

Pieter Roelofs

is very big on

product innovations.

Pictured are a

Nacho Potato and

a Taco Potato.

40.7% increase, according to the RE-COUNT report of Evanston, Ill.-based Restaurant Consulting Group Inc. But growth has been slower since 1989 thanks to the recession and the overabundance of units in key markets.

The question is, where are the notable success stories, apart from Taco Bell, Chevys, and a few other scattered examples?

The typical player is an independent or a small privately owned chain. More than half of them are concentrated in the West Coast and the Southwest—markets that have become very competitive arenas. Debt, management miscues, and outdated buildings plague some. All are hurt by margin-killing discounting. Moreover, the ongoing credit crunch has made it harder for operators and franchisees to borrow for expansion, and harder for landlords to provide deals.

Traffic patterns in the Mexican segment tell a tale
continued on page 128





MEXICAN

MARKET SEGMENT REPORT

about customers' price/value perception. In quick service, where value menus and discounting are most used, traffic rose 5% and 16% in the summer and fall quarters of 1991, respectively, according to CREST, a service of the Park Ridge, Ill.-based NPD Group. The other subsegments were spotty in those recent quarters, suggesting the impact of the recession. Midscale traffic fluctuated from flat to a 20% rise. Upscale slumped with decreases of 5% and 8%.

THE LEADER. Last year, Taco Bell couldn't match the phenomenal profit pace of the prior year but it still remains comfortably ahead. It finished 1991 with 3,600 units and \$2.6 billion sales, up 17%. Profits advanced 18%. Same-store sales of domestic company stores grew 5%. In comparison, 1990 showed a 19% sales increase and 34% operating profit increase, and same-store sales up 13%.

Taco Bell revolutionized the QSR business when it quit preparing food in its units and became a lean, mean, commissary machine. That enabled it to protect its margins even while slashing prices with the 59¢-79¢-99¢ value menu.

Taco Bell is testing a Mexican-style breakfast menu with all items under \$1 in 200 Los Angeles stores. Regional chains in the West and Southwest beat Taco Bell to Mexican breakfast years ago. But Taco Bell is betting that its program will lead to a national rollout and a potentially big volume boost.

Taco Bell's breakfast menu includes the Fiesta Breakfast Burrito (39¢), a Sausage Breakfast Burrito (59¢), and a Grande Breakfast Burrito (79¢). It also has a breakfast sandwich. "It's comparable to McDonald's Egg McMuffin, but at 99¢ it's a better value," says a Taco Bell spokesperson.

Taco Bell is also pushing into nonconventional locations with downsized Taco Bell Express units and mobile carts. Four express units operate at the Las Vegas airport in a licensing agreement with Marriott Corp. Taco Bell carts are in test at Arizona and California supermarkets, and may soon be put into other retail settings, especially since PepsiCo recently bought into a cart manufacturing company. There even are a few units in movie theaters.

The 302-unit Costa Mesa, Calif.-based Del Taco Inc. chain gives Taco Bell stiff competition. In fact, Taco Bell's promotion of breakfast has raised Del Taco's breakfast sales significantly, says Del Taco executive vice president of marketing Paul Hitzelberger.

The majority of units are Del Tacos located in California. The system also includes 35 Naugles restaurants in Utah, Nevada, and Missouri, which are not being expanded. Virtually all restaurants are open 24 hours and have featured Mexican breakfasts for years.

Customer counts, sales, check average, and profits are all trending up "dramatically" according to Hitzelberger. U.S. sales are estimated at \$220 million.

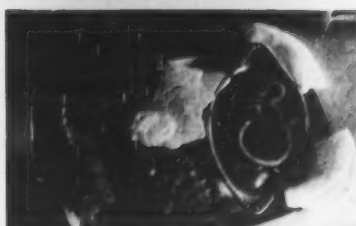
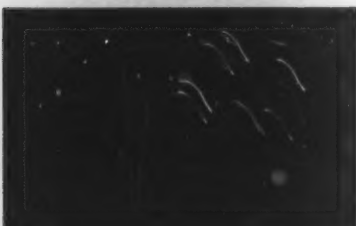
Del Taco plans to "open up" and accelerate its franchising program, says Hitzelberger. Heretofore, franchising was limited mainly to friends and associates of the owners, but now outside applicants will be accepted. In 1992, it anticipates 25 to 50 new units.

Former Pizza Hut and Ponderosa executive Pieter Roelofs took the helm of Cheyenne, Wyo.-based Taco John's International last year. His mission is to revitalize a chain that with 430 stores is second only to Taco Bell in number of units. However, many units are 400 sq. ft. or less doing barely \$250,000 per year. About 35% to 40% of its bigger units do \$500,000 or better. Systemwide revenues were \$137 million last year.

One of Roelofs' favorite tools is product innovation. He's working on both traditional Mexican foods and hybrids of Tex-Mex, Southwest, even Mediterranean tastes. An example is the Sierra Chicken Filet sandwich that's in test. It consists of Greek-style flatbread baked with Mexican spices, filled with Italian-style lemon herb chicken breast, dressed with Mexican salsa and Parmesan pepper dressing and avocado. It weighs 9 oz. and sells for \$2.50 in test markets. It has reached 10% of sales without advertising.

In addition, Taco John's is remodeling older units. It is testing an "open delivery system" that puts food on display at the counter of a Jacksonville,

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Some scenes from "Sizzling Saucy," Chi-Chi's TV spot for its current promotion, Chajitas Enchiladas.

MEXICAN

MARKET SEGMENT REPORT

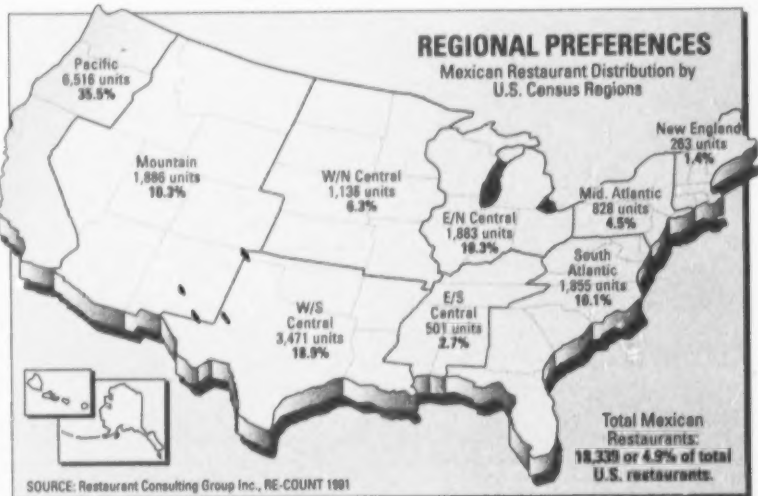
Fla., shopping mall unit. Expansion plans call for filling in markets in the Midwest and mountain states. It will open 40 to 50 new units in 1992, with a goal of 700 units by the year 2000.

Unusually warm temperatures on the Nebraska prairie are coaxing people out of hibernation this winter, says Jan Moore, vice president of marketing for Lincoln, Neb.-based Amigos, which operates 52 units in six Midwestern states. Nevertheless, Amigos is "working really hard" to reach its projected \$25 million sales goal, up from \$20.4 million in 1991. She says the company is proud of its 7.3% sales increase last year, because discounting decreased the average check even while boosting customer counts.

Eugene, Ore.-based Taco Time International formerly was one of the leaders in international Mexican restaurant franchising with more than 20 units overseas. That changed abruptly last year when its Japanese partner, Nissan, closed 20 Taco Time units in Tokyo, according to vice president of franchising Jim Thomas.

"We feel we're still alive in Japan," Thomas says, nevertheless. A couple of remaining Taco Time units there are doing well as independents. The international holdings consist of 80 units in Canada, plus token units in Venezuela and the United Arab Emirates.

This year, Taco Time's priorities are remodeling its 302-unit, 32-year-old system and gearing up domestic franchising, especially new forays into food courts. It's offering franchisees a 1/2% discount on royalties if they remodel. It



will open 12 to 14 units this year. Revenues were \$95 million in 1991.

W.R. Grace Co.'s two Atlanta-based Mexican fast-food chains, Del Taco and Taco Villa, continue to languish on the sale block after last year's acquisition attempt by Taco Tico Inc. fell through. (Grace's Del Tacos in the Southeast are separate from the California Del Tacos.) For the past five years, Grace has attempted to unload them.

The mood is "not great" in the 94 Del Tacos and one Arriba table-service restaurant operating in the Southeast and 41 Taco Villas in the Southwest, admits chief financial officer Buddy Utley. Same-store sales dropped 12% last year. Systemwide sales of the pair were \$42 million.

In the aftermath of the buyout flop, Taco Tico restructured and boosted sales. Last summer, the 98-unit Wichita, Kan.-based chain franchised its 68 company-owned units to current and former multi-unit managers. Since then, same-store sales increased 12%.

"It's a statement about the power of entrepreneurship," says executive vice president Dennis Swartz. He also gave some credit to the mild winter weather. He expects to see further 10% to 15% gains in the summer.

The Taco Maker, based in Ogden, Utah, has turned over nearly 80% of its management since the company's Chapter 11 bankruptcy filing two years ago. But a reorganization plan has been approved by the courts, and the company is filing new Federal Trade Commission disclosure forms this year to restart its franchising program.

The 89-unit chain will concentrate on filling in its far-flung system, which skips from the West to Northeast to Puerto Rico, where 45 units are located. "We'll grow again, but we'll be focused," says executive vice president Kevin Waymont.

Houston-based Two Pesos Inc. dutifully paid \$3.7 million to archrival Taco Cabana last year, after the latter won a trade dress infringement lawsuit. But there's still one showdown to go. The

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Cantina del Rio is Bob Evans Farms' entry into the Mexican segment.



MEXICAN

MARKET SEGMENT REPORT



Full-service Mexican restaurant chain Cucos intends to remodel current units with a new Border Cafe look.

U.S. Supreme Court will hear Two Pesos' appeal. If the decision is overturned, Taco Cabana could be required to refund the monies. "It would mean a huge boost to our cash flow and bottom line," says Two Pesos president and CEO Ghulam Bombaywala.

Bombaywala, a Pakistan-born entrepreneur, owns 29% of Two Pesos Inc., and controls 49% of its stock. Since taking over in 1989, he closed five unprofitable restaurants, expanded into food courts, opened new markets in California, and purchased Short Stop, a 22-unit chain of double-drive-thru burger stores. In 1991, the 31 Two Pesos produced \$36 million in sales and a net income of \$494,000, turning around a \$2.7 million loss a year prior.

The grass is greener in the Pacific Northwest for Portland, Ore.-based Macheezmo Mouse. The company closed a pair of units in northern California due to the high cost of doing business there. Future expansion will

revolve around the Portland area, where it has seven units, and Seattle, where it has two. It projects at least one new unit this year. The nine-unit quick-service Mexican chain features a healthy menu and has a booming burrito business—especially chicken, veggie, and combination, priced \$3.25 to \$3.95.

FULL HOUSE. Full-service Mexican restaurants arguably have it rougher than their QSR brethren. They're bearing the brunt of competition from casual dinner houses and family restaurants as well as the recession's dampening effect on consumer spending.

Opinion is split over the impact of the mainstreaming of Mexican items on menus. Some, like Del Taco Inc.'s Paul Hitzelberger, call it "an absolute, unqualified plus" that expands awareness of the cuisine and fuels growth.

Others disagree. "The competition is not just Mexican restaurants, but also every Bennigans with a whole page of Mexican foods," says Robert Ptak,

president of Chicago-based Pepe's Mexican Restaurants.

The country's largest full-service Mexican restaurant chain, Louisville, Ky.-based Chi-Chi's, is back in the public domain again. Parent Foodmaker Inc. recently completed a \$15 million initial public stock offering that reduces debt from its 1988 leveraged buyout.

In recent years, Chi-Chi's has favored company store growth over new franchisees, opening about 15 units per year. The Chi-Chi's system consists of 230 units in the U.S. and Canada, 176 of them company owned.

Chi-Chi's is on the offensive in the price/value war with TV-supported promotions that package special entrees and desserts at bargain prices. Last fall, Whole Lotta Enchiladas touted beef and chicken enchiladas plus a hot fudge sundae for \$6.99. Earlier this year, a Chajitas Enchiladas promotion featured Chajitas Enchiladas plus a dessert of sopaipillas and honey for \$6.99. "People continued to order the entrees after the promotion ended," says Glen Drasher, vice president of marketing. It promotes dessert, too.

Both Chi-Chi's and Irvine, Calif.-based El Torito, the next largest full-

continued on page 144

**Mexican items are appearing on
many nonsegment menus.**



MEXICAN

MARKET SEGMENT REPORT

service Mexican chains, plan to open units in supermarket food courts this year. Chi-Chi's plans to enter a Price Chopper supermarket in Kansas City, Mo., this year, along with QSR chains. El Torito's version, also slated for this year, will be in a Schnuck's supermarket in St. Louis, under the name Casa Gallardo.

Last year was a flat sales year for El Torito, which finished with \$369 million in sales and 176 units. El Torito's growth will be limited this year because parent company Restaurant Enterprises Group has committed \$66 million to acquire and convert 107 Marriott Corp. family restaurants in California into its own family system.

Funding isn't a problem for Chevys Mexican Restaurants. The hot San Francisco-based chain is fueled by private venture capital. It hit \$70 million in revenues and 34 restaurants last year, up from \$51 million and 24 in 1990. Right now, it's being eyed by securities firms and investors who'd like to make it a public company. Says president and CEO Mike Hislop: "We feel [Chevys] can offer more return than the recent restaurant IPOs."

This year, Chevys ventures outside northern California for the first time with a pair of restaurants in the Los Angeles area. Ten more will follow in 1993 before an eastward push occurs.

Chevys upscale "Fresh Mex" dishes such as grilled salmon fajitas capture

white-collar baby boomers. Yet its \$7 lunch checks and \$9 dinner checks bring a brisk family trade, too.

Dallas-based Southwest Cafes Inc. has appointed J. Michael Jenkins as its new chairman and CEO. Jenkins was ousted from the top spot at Metromedia Steakhouses, reportedly because of poor profitability. Jenkins replaces Gilbert Cuellar, Jr. in both positions. Cuellar was forced to resign because of board and franchisee opposition to his policies. He favored development of the company's specialty restaurants—Casa Rosa, Cuellar's Cafe, Lupita's, Texana Grill, and two Cantina Laredos—over the flagship 90-unit El Chico chain. Dissatisfaction over the low stock price also sealed his fate.

Jenkins' marching orders are to revitalize El Chico, which has had little growth and a static menu for the past few years. Net sales in 1991 were \$84 million, down 0.9% from a year prior.

Baja Bay Restaurant is located a short way from Chi-Chi's headquarters in Louisville, Ky., but miles away in concept. Owner Tom Gillfillan created a tropical resort atmosphere that is quite different from Chi-Chi's adobe haciendas. Baja Bay has a large salt water fish tank, barnwood walls, and pictures of frolicking whales.

Although the menu includes traditional nachos, tacos, and burritos, it also dishes up offbeat items such as white chili with white beans, chicken, cheese, and sour cream, \$2.99, *pasta y zarzuela*—blue corn fettuccine with assorted seafood—\$12.99, crab, shrimp, and scallop fajitas, \$11.99, and smothered steak covered with onions, peppers, mushrooms, and Jack cheese, priced at \$10.95.

This spring, Phil Romano is launching Nacho Mama's, "authentic Mexican with a gringo flair," in his home base of Leon Springs, Texas.

"There's a lot of opportunity now to do Mexican food with much more excitement," says Romano, who created the Fuddrucker's gourmet burger chain and Romano's Macaroni Grill, now a Brinker

Taco Bell's value

menu has caused

great tumult.

International growth vehicle.

Glimpses into Romano's vision of Nacho Mama's: rotisserie chicken, corn on the cob, tortilla chips served in car hubcaps, beer by the quart bottle, loud Mexican music, and big portions. An abundant display of fresh fruits will surround the bar, to be made into signature margaritas. Built right into it will be a nacho bar "like an oyster bar," Romano says. A "tortilla lady" will hand guests tortillas baked fresh right in the dining room. Nothing on the menu will cost more than \$7.

Mexican food's continuing popularity has attracted an unexpected new player to the segment—Columbus, Ohio-based Bob Evans Farms. This spring, Bob Evans debuts Cantina del Rio in Columbus, which will feature fresh, scratch-made Tex-Mex style food in a run-down roadhouse atmosphere. It will be managed separately from Bob Evans restaurants.

Look for hand-rolled tortillas made in the dining room, and mainstays such as fajitas and enchiladas. Dinner entrees will run in the \$7 to \$11 range. The food will be Tex-Mex style, but will avoid the label. "The consumer is afraid of Tex-Mex—it sounds too spicy," says marketing vice president Roger Williams.

Sales trends are promising early this year for Metairie, La.-based Cucos Inc. But last year, the war dampened the 10th anniversary celebrations of the 33-unit full-service Mexican chain. Many of the regular customers that patronized its units near military bases in Florida, Mississippi, and Georgia, spent the year in the Arabian desert.

Net income dropped to \$150,000 from \$180,000 a year prior, although Cucos' revenues increased 10% to \$15 million. Same-store sales increased for the seventh straight year and guest

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RED HOT GROWTH TURNS TEPID

The Mexican market segment had an amazing 40.7% increase in total units from 1985 to 1991. But that rapid rate declined significantly in 1989 and has not regained the earlier record levels of growth.





MEXICAN

MARKET SEGMENT REPORT

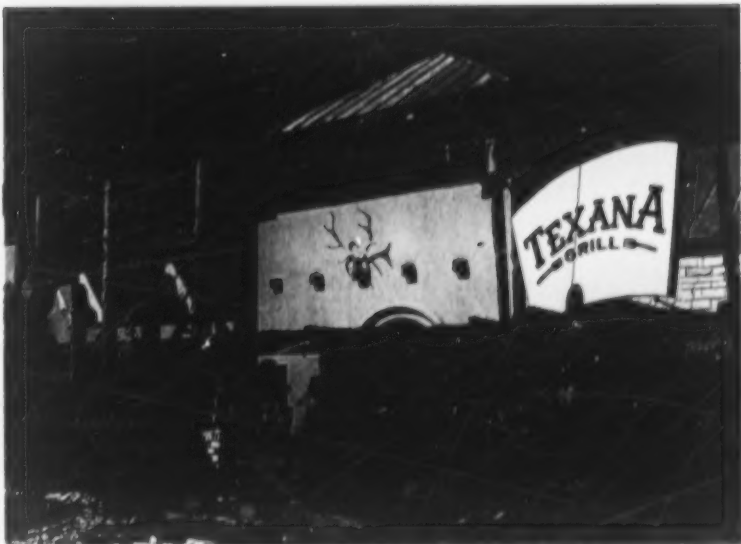
counts increased 0.8%. Profitability of mature units reached an all-time high.

In 1992, Cucos expects to open three company restaurants and two franchised stores. Expansion will focus on small and medium-sized Southeast markets, although the 33-unit company has restaurants as far north as Milwaukee. In addition, Cucos is rolling out a new restaurant design, the Cucos Border Cafe. It's a "down and dirty" warehouse look with cement floors and abundant memorabilia on the walls, says chairman Vincent Liuzza Jr. The company's original decor statement is "tavern-style," he says. Three restaurants thus far have been remodeled, the rest to gradually follow.

You can't get much further north and east of the Southwest than Boston. Surprisingly quickly, the New England city has become a hotspot for refried beans, fajitas, and margaritas served by independent operators.

One of the longest established is the Border Cafe, located in Harvard Square, Cambridge, Mass., a 200-seat restaurant which does four turns on a Friday night. Owner Mike Larkin, a former associate of Chi-Chi's founders Marno McDermott and Max McGee, has a suburban unit, too, and is contemplating further expansion. The concept is "mainline Mexican," says Larkin. Strong points are fajitas, enchiladas, burritos, and strong margarita sales.

Also hot in Boston is Zuma's Tex-Mex Cafe in Boston's Faneuil Hall Marketplace, owned and run by Steve Immel, former chief operating officer of Pizzeria Uno. The restaurant is actually a downscale and retrofitted version of Zuma, a concept he created to showcase esoteric "foods of the sun." It went over the heads of the marketplace's tourists, Immel hit the bullseye the second time, however, with lower prices and a more comprehensible menu. Customer counts have vastly increased at the 3,000-sq.-ft., 115-seat restaurant.



Southwest Cafes will focus on El Chico instead of concepts like this Texana Grill.

It is projecting \$1.3 million sales this year, up from \$850,000 in its first year, even though the check average decreased from \$16 to \$11.

For his new menu, Immel went back to the "peasant cuisine" he enjoyed while growing up in California and Arizona. Menu choices include Joe's Nacho Heaven (\$3.97-\$6.95), mesquite-smoked roasted chicken (\$7.95), enchiladas verdes (\$4.97), and South Texas Dry Rubbed BBQ Ribs (\$11.95).

Also scoring big in Boston are partners Jimmy Lifton and Jimmy Burke. The pair have hit paydirt with the Cactus Club in Boston and the Iguana Cantina in suburban Waltham, Mass., and are thinking about additional restaurants in the future.

Cactus Club features modern creative Southwestern cuisine, says Lifton. That includes dishes such as seafood rancheros—tortilla-wrapped sautéed shrimp and scallops in adobo cheese

sauce (\$9.95), and even American Indian dinners with items such as Hopi Venison Sausage. The 95-seat eatery, which has a \$16 dinner check, is running \$65,000 in sales per week.

Less expensive and simpler is the Iguana Cantina. It offers a taco trio with beans and rice for \$6.25 and Yucatan grilled shrimp with chipotle lime butter for \$9.95. The 80-seat eatery has a \$14 dinner check.

Only a handful of restaurateurs in the U.S. aspire to the highest standards of authentic Mexican regional cuisines.

Rick and Deann Bayless, owner-operators of Frontera Grill and Topolobampo in Chicago, are among the nation's most prominent. Frontera Grill was lionized by the national food press and greeted with constant lines of customers practically since day one five years ago. The adjacent Topolobampo has received similar high praise and patronage in its two and a half years.

Menus are drawn from a rotating repertoire of more than 300 dishes. For them, their 110 combined dining seats are just enough. "We have no plans for

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**Segment leader Taco Bell has 3,600 units
and \$2.6 billion in sales.**



MEXICAN

MARKET SEGMENT REPORT

Upscale operators are focusing on the authentic cuisines of Mexico.

further expansion—we're very happy," says Deann Bayless.

Frontera Grill, with 65 seats, features rustic regional Mexican fare such as *pollo pibil*, chicken breast marinated in the juice of sour oranges and steamed in banana leaves, and *chiles rellenos*. Dinner checks average \$20.

Next door, the 45-seat Topolobampo serves food that is chef Rick Bayless' "vision on top of tradition," says Deann. It's more elaborate and exotic, using ingredients such as *huitlacoche*, a corn fungus, and serving dishes such as shrimp in a mole sauce of pumpkin seeds and pungent epazote herb. Dinner checks average \$35.

A Berkeley, Calif., restaurateur is searching for a site for an ambitious new Mexican restaurant. Jim Maser, co-owner of Cafe Fanny there, has had a long-time dream of reproducing authentic regional dishes. Maser has done his culinary homework. His mentor is food authority and author Diana Kennedy. He and his executive chef have trained extensively with her at her home in central Mexico.

Maser hopes that his new venture will be blessed with the same success as Cafe Fanny, an eight-year-old stand-up food bar that had "its best year ever" last year.

His partner in the cafe is Alice Waters, owner of the trend-breaking Chez Panisse. It is uncertain whether Waters will take a financial interest in the Mexican restaurant, but Maser and his wife Laura will be the majority owners and managers. Sources say that the working name for the restaurant is *Maiz*, the Spanish word for dried corn.

Hat Dance, Lettuce Entertain You Enterprises' Mexican restaurant in Chicago, enters its fourth year "running on all cylinders, satisfying customers, and being more profitable

than ever," says John Buchanan, managing partner. However, Hat Dance's saga has had its twists. It took Buchanan five years to convince LEYE honcho Richard Melman to open a Mexican restaurant. Buchanan came to realize that the audience for innovative Mexican food has limits. Cutting-edge dishes have had to share menu space with the familiar. When Hat Dance first opened, customers were given vegetables *en escabeche*—pickled carrots, onions, chiles, and rounds of corn. Many customers clamored for taco chips and salsa, however. Buchanan first resisted, then gave in.

Buchanan also learned not to fight customer demands for mundane dishes like chicken enchiladas, even though more forward foods like tuna *asada*, marinated pork *carnitas*, and wood-roasted chicken sell well. Hat Dance's raw bar has been scaled back to just shrimp ceviche and tuna sashimi from the original 10 to 15 raw items.

Some people still ask for nachos at Blue Mesa, Chicago's only restaurant serving New Mexican food. However, over the past eight years, it has gradually evolved a menu and a customer base that appreciates the distinctions of its food. The status quo has changed over the years from simple enchiladas

with red or green salsa to more complex dishes such as grilled duck breast tacos with poblano peppers, caramelized onions, and a smoky sauce.

Now, chef Alan Katz is adding hints of foreign flavors to a menu that still remains solidly anchored in New Mexico. He jokingly calls a shrimp chimichanga a "Southwestern eggroll" because it includes Asian-style chile peppers and tomatillo salsa. His Flaming Tequila Cheese is a takeoff on the Greek saganaki cheese dish.

HEALTHY? Mexican food in the U.S. has often gotten a bad reputation as a cheap and filling belly stuffer that's not very healthy. However, the cooking that a number of restaurants are serving today is a big improvement.

Examples abound. Try the calabacitas fajitas at Zumas Tex-Mex Cafe, made with marinated, mesquite grilled squashes. Or Taco Time's 10-oz. veggie burrito. Or Amigos' chicken breast soft tacos and chicken fajitas nachos.

Cooking with lard is "out of the question," says a Macheezmo Mouse spokesperson. At Macheezmo Mouse, chicken breast is the most commonly used meat ingredient. Quesadillas and other items are topped with low-fat Jack cheese. Whole wheat as well as white flour soft tortillas are available. Salt is minimized. Brown rice is used.

Middle and upper-middle class Phoenix residents have welcomed the "Ultra-Lites" menu of Minga's restaurant in Glendale, Ariz. All told, it attracts about a third of total orders at the family-owned eatery.

One of chef Minga Garcia's most popular dishes is the Veggie Chimi Dinner made with seven different sautéed vegetables rolled in a flour tortilla—oven roasted, not fried. She also makes crabmeat-filled enchiladas or chiles rellenos, and ground turkey burros and turkey chorizo sausage platters. Most Ultra-Lites are priced about \$6.25, \$12.95 for vegetarian fajitas.

La Suprema Tortilleria in Dallas is outspoken about its commitment to healthy Mexican food. "Heal yourself, heal the planet, EAT ORGANIC!", shouts its menu copy. The restaurant has won a number of local newspaper and magazine awards for taste, not health, since it opened in 1989. It also has regular one-hour waits for tables, says co-owner Taylor Ford.

Although they serve Mexican dishes with beef, chicken, lamb, and cabrito (goat), about a third of the menu is devoted to vegetarian items such as tofu ranchero (\$5.95), soy cheese nachos (\$4.95), oat bran tacos (\$7.95), and macrobiotic spinach enchiladas (\$7.95).



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RB

RESTAURANT BUSINESS

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MAY 1, 1992
A BILL PUBLICATION

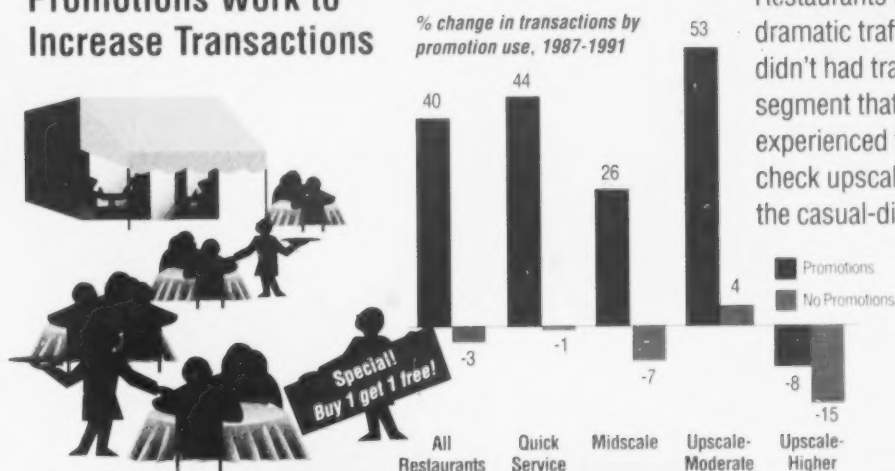
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The straight dope on drug trafficking in America's restaurants 90

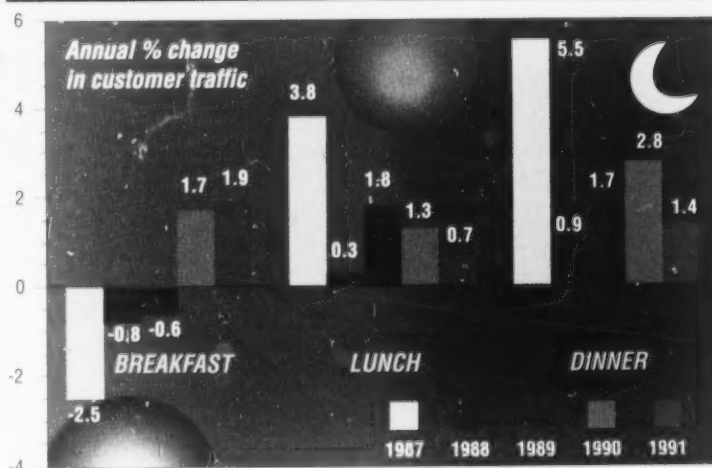
BUSINESS BAROMETER

Promotions Work to Increase Transactions



Restaurants that used promotions showed dramatic traffic increases while those that didn't had transaction declines. Only one segment that didn't use promotions experienced traffic growth: the moderate-check upscale sector, which includes the casual-dining chains.

Source: National Restaurant Association, NPD/CREST



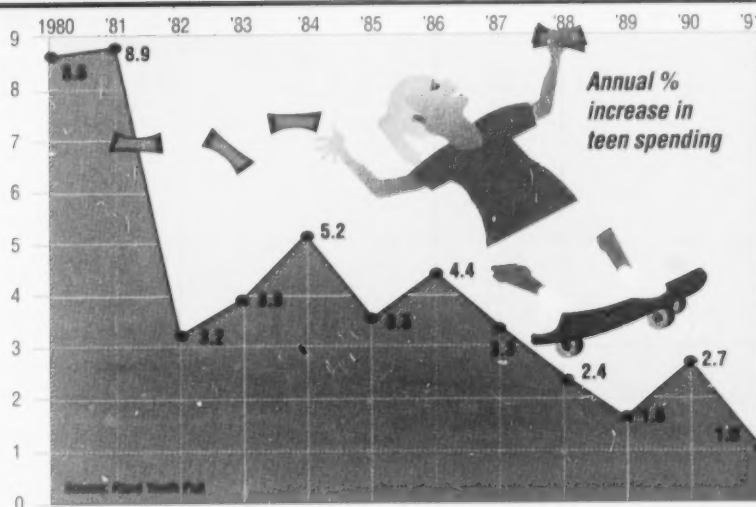
Dinner Biggest Segment, But Growth in Traffic Slowed

Lunch and dinner segment gains in customer traffic slowed in 1991 because of the economic downturn. Breakfast, however, edged up slightly. Dinner accounts for the largest share of restaurant traffic, about 41% of total industry traffic.

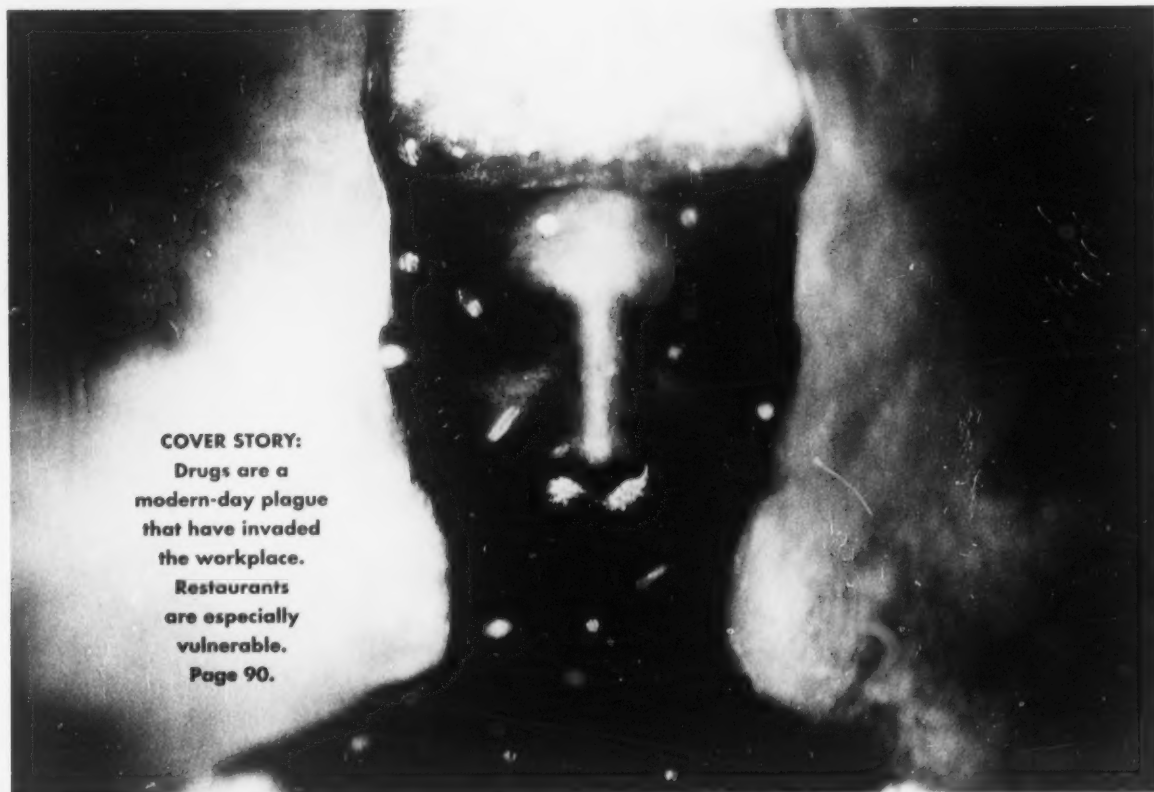
Source: National Restaurant Association, NPD/CREST

Teen Spending Not What It Used to Be

If you're looking to teenagers to fill your cash registers, better think again. The increase in day-to-day spending by 13- to 19-year-olds in 1991 was the lowest in more than a decade. The total: \$58 billion. Spending by girls—typically bigger spenders than boys—accounted for most of the teen increase in 1991.



Charts by Peter K. Niceberg



COVER STORY:
Drugs are a
modern-day plague
that have invaded
the workplace.
Restaurants
are especially
vulnerable.
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COVER STORY

BUSTED DRUG ABUSE. Every day drugs are abused in and trafficked through restaurants. Employees strung out on marijuana and cocaine have fouled up dinner orders, spilled hot coffee on customers, severed fingers with meat slicers, and pilfered cash to support their habits. Managers have used cash registers to deal illicit wares. Everyone pays the price, but who's to blame?.....**90**

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Cover Illustration by Matt Mahurin

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MARKET SEGMENT REPORT ICE CREAM & FROZEN YOGURT.

Last year was a tough one for the frozen dessert segment. Sales sank for most operators, especially at frozen yogurt specialty stores. There has been an overproliferation of frozen yogurt shops, combined with a huge increase in the number of alternative sources for the product. While sales were generally off for ice cream shops as well in '91, they were not as hard hit, in part, because many have now added frozen yogurt and are winning back lost sales 209



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MARKET SEGMENT REPORT PIZZA. This segment continues to dominate the industry. Competition is tightening as both national and regional chains vie for a slice of the pie with new products, service strategies, and value menu programs. Other concepts continue to put pizza on their menus, too, adding indirect competition.

MENU IDEAS PASTA. Stick a feather in its cap and call it macaroni: Pasta is popular and profitable. Operators love it for its low food cost and versatility. Customers love it because it is cheap, filling, and most of all, tasty.

DRAFTS, CARAFES PREMIUM BOTTLED WATERS. Are your alcohol sales dipping? Why not sell a refreshing glass of bubbly—water! It's becoming increasingly common for operators to offer a cooling bottle of H₂O, as they find new profit potential in this former giveaway.



TEST KITCHEN:
Fruit, p. 151.

"We Quench the World's Thirst"



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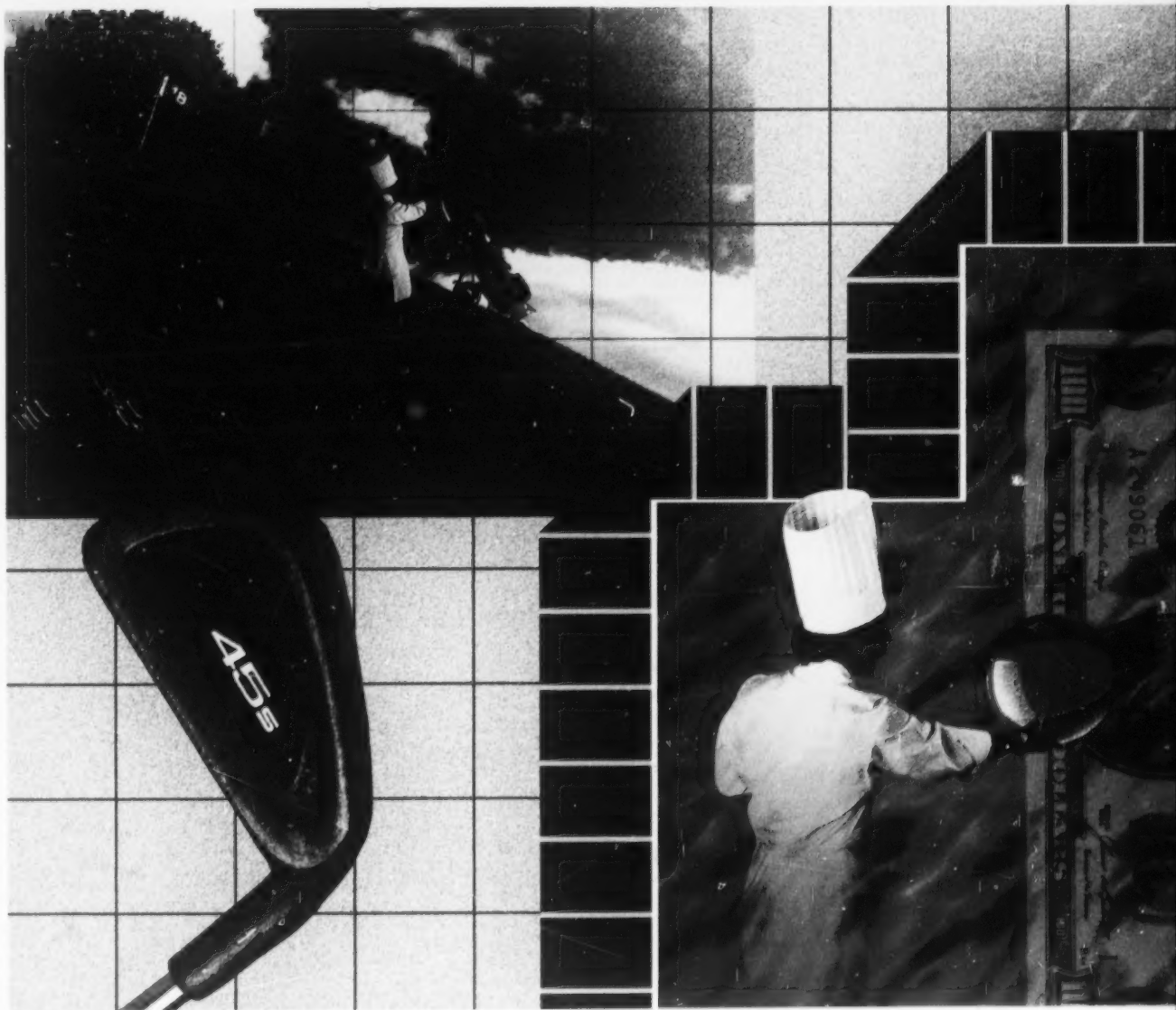
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RESTAURANT BUSINESS/MAY 1, 1992



HIGH-PRICED CHEFS AREN'T

*A*re the stars falling?

With white-tablecloth restaurants lowering prices and trimming costs, some argue that the days of the high-priced star chef are over. Restaurant owners, observers, and chefs themselves are split over the issue, but they do agree on this: Today's star chef isn't making the kind of money he hoped he would, nor are the hundreds of star wannabes commanding the salaries they dreamed of at culinary school.

Salaries at the nation's higher priced restaurants have stabilized or dropped. And compensation today is more likely to include a chunk of equity or piece of the profits than a hefty salary or even a salary hike. That could be a blessing or a curse.

A few top chefs working at a handful of top Manhattan restaurants still command salaries approaching \$200,000.

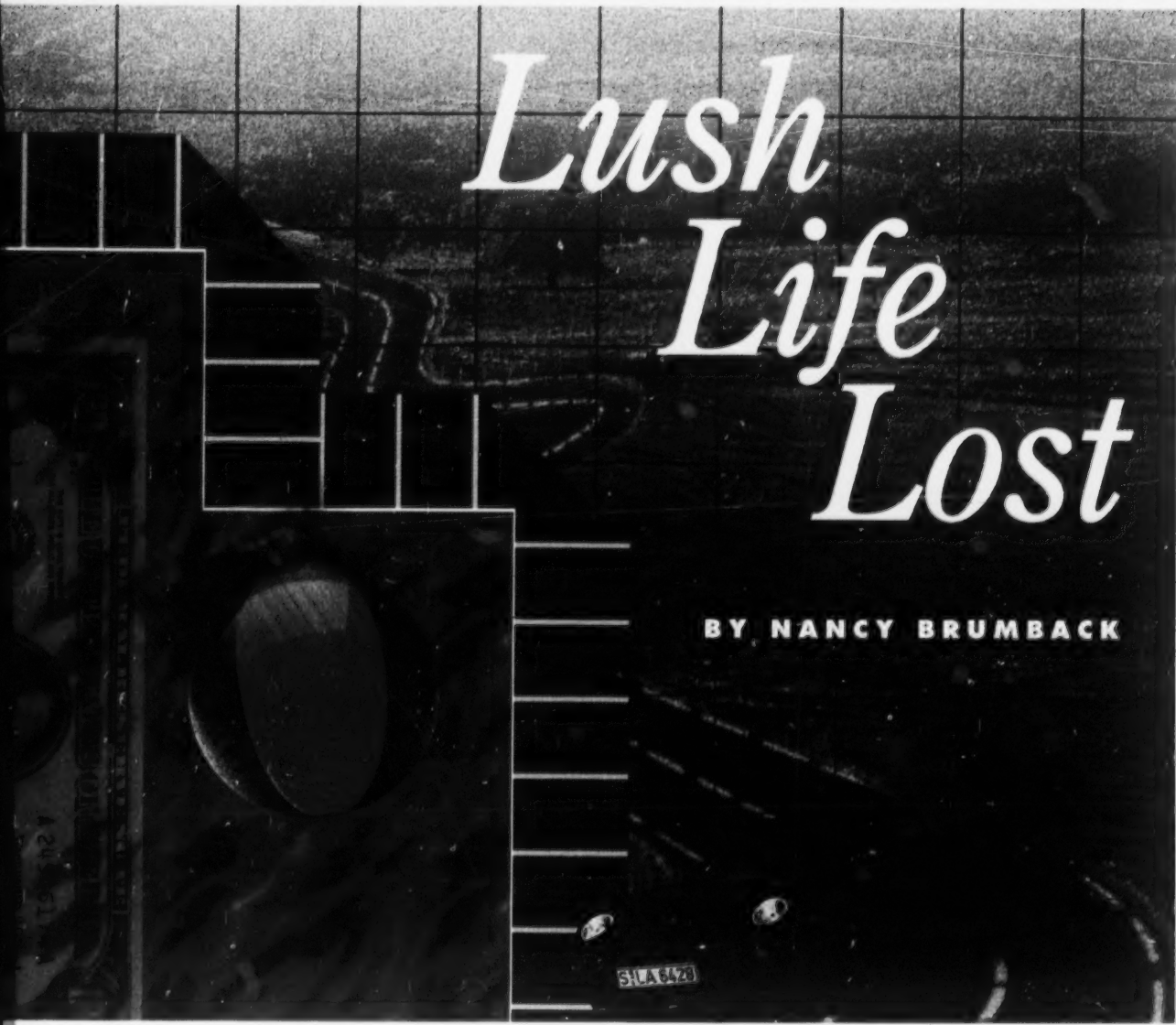
But that's a far cry from the \$33,600 median compensation for executive chefs in full menu, tableservice restaurants that the National Restaurant Association found in a nationwide survey.

"A chef who's earning \$200,000 isn't earning it because of his celebrity status," says Michael Whiteman of New York consulting firm Joseph Baum and Michael Whiteman Co. "He has to earn it by increasing a restaurant's profits to the point where it can afford that salary."

But few can.

"Star chef salaries were pushing \$100,000 and they're not any more," says Clark Wolf, another New York consultant. "That salary was not unreasonable against gross sales potential five years ago, but it is now. I know of one chef in New York City who was offered \$95,000 but took a different job for \$65,000. He said anybody offering \$95,000 these days would be out of business in a year."

Michael Trachtenberg of The Cuisine Marines, a



Lush Life Lost

BY NANCY BRUMBACK

MAKING WHAT THEY USED TO

temporary employment agency in Miami, notes salaries in that area are down 15% to 20% across the board. More and more restaurant owners, he says, are offering chefs equity.

"A typical offering for a young chef with four or five years experience is \$28,000 to \$35,000 and a piece of the action, compared to about \$45,000 as a salaried chef," says Trachtenberg. Along with the lower salaries, he sees an emphasis on efficiency in restaurant kitchen design. "Kitchens are being designed to permit a person to do more than one job and reduce the labor costs. A classic French kitchen today is an economic dinosaur."

Those whose compensation packages are tied to profits are also more apt to make a go of things themselves. "More chefs are looking to own their own places," says Wolf. "And when a chef gets to the point where they're taking the profits out of the business, they might as well take the risk too."

But that's not easy. "A lot of chefs would like to move into their own business, but financial backing is harder to get,"

says Jacques Pelletier of executive search firm Roth/Young, Boston. "There's a lot less money available from backers. The chefs who are doing it on their own tend to be doing it on a smaller scale today."

Uncertain economic times are also making people less prone to switch jobs, adds Pelletier. "Those chefs who have a name aren't moving to another restaurant as fast today," he says. "They're more cautious, considering what the job pays and what the severance package is."

"As more chefs become owners and find out the economics of this business, some wage and salary reality sets in," adds Whiteman.

Michela Larson, owner of Michela's Restaurant, Cambridge, Mass., has implemented a profit-sharing plan for employees across the board. "Our salaries are not increasing anymore," says Larson. "Any increase is dependent on job performance and is tied to profits. You did a good job and this is the money"

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we made and this is your share. It's very difficult to get people to do a good job and control costs."

Somewhat to her surprise, the system works. "I always thought the theory was interesting. But we've found when we make a real commitment to it, it does work."

Wolf notes that, while entree prices are going down, prices for lesser dishes may be rising to help cover costs, among them additional support staffs. "The chef's base salary is going down," he says. "But, for some key support positions, salaries are up and chefs are getting more support."

Restaurants and hotels are diversifying into catering, banquets, and private brands. Some are opening satellites, such as a cafe in a theater, or second and third restaurants.

"A chef might get a nice pop in his salary for overseeing these additional locations," notes Wolf. "Today, restaurateurs who are well known for successful operations are creating alliances with their chefs rather than hiring employees." A chef can start with a 3% to 5% share and go as high as 30%, he says.

Then, of course, there's that other breed of culinarian: the celebrity chef. Those arguing in favor of the celebrity chef's continued importance cite Americans' star-struck nature and a restaurant owner's need for a brand identity. Those who say the celebrity chef's day is past note owners' feelings of being "held hostage" to those who've attained star status. Customers pay for the higher salaries in higher prices—something they're less willing to do nowadays. Owners can pay with lower profits.

Still, celebrities have their supporters. Robert Cioffi, director of food and beverage for The Bostonian Hotel in Boston, feels cutting too many corners on chef salaries can be self-defeating to a restaurant that depends on its chef's reputation. Many of Boston's best-known chefs have started at The Bostonian, and the hotel hired Anthony Ambrose from The Meridian Hotel as its executive chef a year ago.

"Our business is dependent on the quality of the food, and, if the chef is excellent, people dine here," notes Cioffi. "The only way to fill the seats in this economic climate is with a star chef. If you don't have a star chef, you don't get the attention and the publicity. Why hire a nobody chef at \$60,000 when you can have a star at \$85,000 and fill the room? That \$25,000 isn't worth

it. Either you have to spend the money to build up a nobody or you have to hire a somebody." Besides, he adds, a new chef is "going to ask for the money in a year if he's good—and you'd be a fool not to give it to him."

Unlike independent restaurants, though, hotel dining rooms aren't able to offer equity positions. While a lot of hotels are still pulling in star chefs at \$75,000 to \$100,000, Pelletier sees a few hotels beginning to lease out their dining rooms to a well-known chef or restaurant in a city. The hotel, he notes, gains from the chef or restaurant's reputation; the chef or restaurant owner saves on opening costs and gets some reasonably sure base business from hotel patrons. Each profits from the other's advertising and reputation. "I wouldn't be surprised to see that happen more," Pelletier says.

Despite their relatively high price, some still feel a name chef is important to a certain type of restaurant.

"A requirement on the part of a major restaurant is the ability to market," says Whiteman. "In this country, marketing requires the establishment of a brand." Only 20 or 30 restaurants have names strong enough to carry them "without the crutch of a personality," he argues.

But that argument only applies to restaurants aiming at a national market, and there aren't that many.

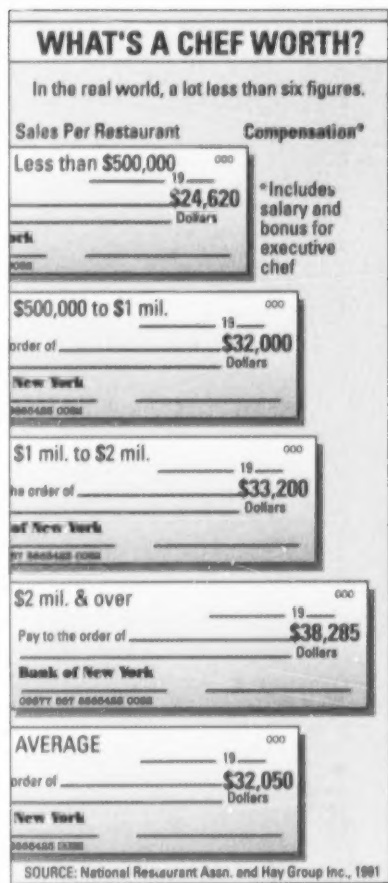
"A restaurant owner wouldn't necessarily need a celebrity chef if his market is the city in which he is located. An owner should be able to market his restaurant to his own city. If he can't do that, to hell with him," says Whiteman.

"But if an owner wants to be on the mind of every visitor, you're talking about marketing nationally. Then a celebrity chef is important. If a traveler sees that chef in an airline magazine story, psychologically he's had his mind made up. He's pre-sold. What does he care what the chef makes?"

The celebrity chef's position is also bolstered by packaged-food companies which are increasingly looking for name chefs to augment their marketing programs, Whiteman notes.

For the smaller hotels, the celebrity chef remains important, says Cioffi of The Bostonian. "Only when our culture gets tired of the star system" will the role of the celebrity chef diminish. "Until then, a celebrity chef is worth the money."

"If top restaurants are dumping their stars, I think ultimately it's going to hurt them. I think it matters that there is a reason to go to a particular



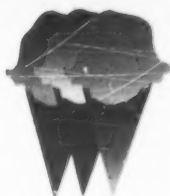
restaurant as we come out of this recession," Cioffi adds.

The restaurant industry "won't see the wave of star chefs like we saw in the '80s for a long time," asserts Pelletier. "I don't see the demand from the patrons, and, from the owner's standpoint, the top dollar paid these chefs may not return what was expected."

This trend, he notes, won't hurt the '80s stars, many of whom have established their own restaurants. "But the up-and-coming chefs, the ones who weren't quite there yet, have stagnated. They won't be stars as quickly. There are not as many opportunities today."

A lot of chef activity may backfire on a restaurant, Wolf argues. "If a chef spends a lot of time and energy in appearances, the patrons may begin to wonder who's cooking lunch."

Seppi Renggli, executive chef for the Rockefeller Center restaurants who left The Four Seasons two years ago, feels the economy has reduced the appeal of the celebrity chef. And Renggli, for one, is glad to drop the public appearances and benefits. Says Renggli, "I have to live in peace." **HB**



ICE CREAM & YOGURT

MARKET SEGMENT REPORT

Last year was a tough one for the frozen dessert segment. Sales sank for most operators, especially frozen yogurt specialty stores. Business at independent "mom and pop" shops dipped an average of 18% to 22%, according to one industry executive.

Yogurt chains fared slightly better, observes Steve Van Velkinburgh, president of Thousand Oaks, Calif.-based Penguin's Place Inc., but few if any operators were immune to the slump. The word on just about everyone's lips now is shake-out.

"It's much like what happened to super gourmet ice cream in 1984," says Van Velkinburgh. "Individual sales have taken a downturn because so many people have come into the segment and there isn't the volume to support them all. What happened then will happen again with yogurt. The weak will be weeded out, and the strong will survive."

The problem is *not* a decrease in consumption of frozen yogurt. Rather, there has been an overproliferation of frozen yogurt shops, combined with a huge increase in the number of alternative sources for the product.

"You can get [frozen yogurt] now in grocery stores, convenience stores, fast-food restaurants, even self-serve gas stations," comments Patty Reupke, director of marketing for I Can't Believe It's Yogurt, the nation's second largest frozen yogurt chain. "That has cut into everybody's market share, and combined with the recession, made it a tough year."

While sales were generally off for ice cream shops as well in '91, they were not as hard hit as yogurt specialists. In fact, several ice cream chains report same-store sales were only flat or even up slightly.

In part, ice cream retailers have fared better because many have now added frozen yogurt to their mix and are winning back sales lost in recent years to their new competition.

Because they offer more variety, ice cream shops also have broader appeal. About 80% of soft-serve yogurt has traditionally been bought by women, Reupke says. Although I Can't Believe It's Yogurt and other chains are

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Alternative

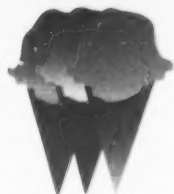
sources have hurt

the segment.

By Carol Casper

The 40-year-old
Tastee Freez chain
still offers soft
serve and sundaes,
but many units
now have a fast-food-
type menu.





ICE CREAM & YOGURT

MARKET SEGMENT REPORT

C-stores, supermarkets, restaurants, even gas stations sell frozen yogurt.

adding new varieties in hopes of wooing more male customers, a certain segment of the market, particularly young and male, will always tend to stick with ice cream, Van Velkinburgh points out. By offering mixed groups of customers a choice, ice cream shops don't shut anyone out.

In addition, ice cream places have not had to deal with increased competition within their ranks. In fact, the number of ice cream shops has declined steadily over the last few years, shrinking 15% since 1988, according to RE-COUNT figures from Restaurant Consulting Group, Evanston, Ill.

Despite the shop operators' troubles, Americans' appetite for frozen yogurt continues to grow at a good clip. Total sales of the product rose 25% in 1991 to reach well over \$2.3 billion, according to data from Find/SVP Inc. That is more than six times the size of the market five years ago, and better than double '88 consumption, the New York-based market research firm reports.

However, since 1988, the number of frozen yogurt and ice cream shops selling the product has also nearly doubled. The rates at which new yogurt stores are opening and ice cream shops are adding yogurt have slowed over the last two years. Even so, the number of shops selling yogurt rose more than 15% in 1991, according to data from Find/SVP and RE-COUNT.

Even more significant, other foodservice outlets including fast-food restaurants and retailers like supermarkets and convenience stores have become aggressive marketers of frozen yogurt, taking a big chunk of business away from the ice cream and yogurt shops.

Figures on market share show that from 1988 to 1991, the proportion of total yogurt sales by frozen yogurt and ice cream shops shrank from 60% to 46%, while the share of other foodservice operators and supermarkets grew. Looking just at foodservice sales, the

combined portion by ice cream and yogurt shops shrank from 86% in '88 to less than 70% last year, Find/SVP reports.

Moreover, the decline in market share for yogurt specialty shops was sharper than that of ice cream shops that also sell yogurt. Of total U.S. frozen yogurt sales, yogurt specialists suffered a 10-point loss in market share since '88, compared to for points for ice cream operators.

The future for yogurt specialists is not particularly bright, either, according to Find/SVP's projections. The total frozen yogurt market will continue to grow sharply, reaching over \$4 billion by 1996, it predicts. However, the combined share of yogurt and ice cream shops is expected to shrink further, to 40% of the pie. At the same time, the proportion of sales by other foodservice outlets, as well as supermarkets and c-stores, will continue to grow.

New products are coming on the market that make it easier for other types of operations to sell yogurt without special dispensing equipment. One manufacturer, for example, has just introduced a new "soft scoop" product in 3.5-oz. portion-controlled cups. Positioned for kids' menus, take-out, and institutional foodservice, it can be stored at higher temperatures than most ice cream and frozen yogurts, comes in several flavors, and contains active yogurt cultures.

EVOLVING STRATEGIES. What can frozen yogurt operators do to restore their sagging share of this still fertile market? Most chains are in the process of evolving strategies now, the fruits of which will be seen over the next 12 to 24 months. They include new thinking on site selection, product innovation and diversification, alternative avenues of distribution, renewed aggressiveness in marketing campaigns, and a stronger emphasis on brand identity.

One problem for yogurt marketers, comments Yves Coleon, vice president

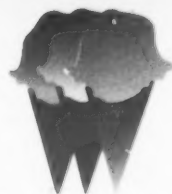


Häagen-Dazs' waffle cone sundae.

of marketing for Häagen-Dazs, is that they have not made brands identifiable. "People do not recognize the quality of soft-serve frozen yogurt products as much as they do ice cream. It's become a bit of a commodity."

"The reality is that the frozen dessert industry—everything that looks like ice cream and frozen yogurt—has been flat on a per-capita consumption basis for a long time," adds Syl Sosnowski, vice president of Carvel. "Yogurt grew mainly by taking sales away from ice cream."

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ICE CREAM & YOGURT

MARKET SEGMENT REPORT

"Now that there are lots of frozen yogurt shops near each other, and even the fast-food operator, the corner deli, and the supermarket have it, no one will go out of their way for a specific brand, unless it really is something different. In general, the business has become location and convenience."

The problems of the yogurt segment are epitomized by segment leader TCBY Enterprises Inc., Little Rock, Ark., whose difficulties have been well documented recently (See *RB* Cover Story, Jan. 20, 1992.)

TCBY's same-store sales have fallen precipitously since 1989, from an average of over \$230,000 to approximately \$185,000 in '91. More than 260 units have closed since 1990. Systemwide sales shrank to \$323 million in '91 from \$344 million in '90, according to an estimate from Technomic Inc., Chicago.

Corporate revenues were down to \$128.9 million in '91 from \$151.3 million in each of the prior two years. Earnings shrank to 31¢ a share, or \$8 million total, compared to nearly \$30 million in '89 and just under \$20 million in '90. Reacting to these results, the company's stock has lurched from \$29 a share in mid-1990 to \$5.50 this past March.

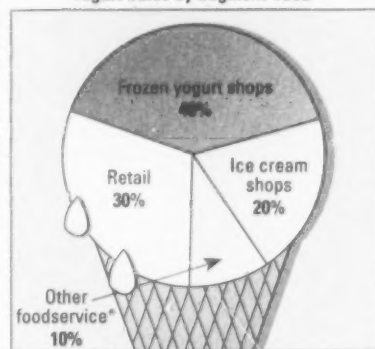
The corporation is now battling lawsuits from investors and franchisees who claim that management misrepresented the company's health before the earnings slide and used inflated sales projections to keep selling new franchises.

TCBY management, headed by chairman and founder Frank Hickingbotham and his son Herren C. Hickingbotham, president, counter that the huge, rapid growth in competition from other sources was a factor they could not have foreseen. Hurting franchisees argue back that the franchisor focused too much attention on growing the system, while ignoring evidence that the changing market was threatening existing stores.

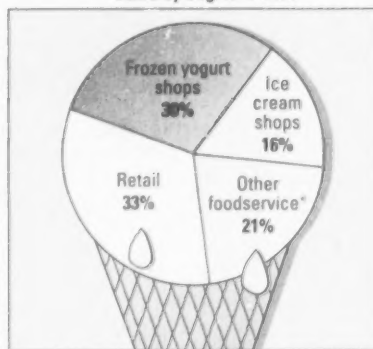
Overproliferation of yogurt shops has also cut into market shares.

MARKET SHARE SHIFTS

Share of Total U.S. Frozen Yogurt Sales by Segment-1988



Share of Total U.S. Frozen Yogurt Sales by Segment-1991



*Includes restaurants that do not feature ice cream or yogurt, plus concessions, supermarket and convenience store soft-serve sales, office cafeterias, etc.

SOURCE: Find/SVP Inc.

Restaurant analyst Barry Stouffer of J.C. Bradford & Co., Nashville, Tenn., observes that had it reacted faster, TCBY might have minimized the damage. However, he says, the environment for yogurt operators changed so rapidly that some hardship was inevitable.

In any case, management has now focused attention on the chain's troubles and is exploring ways to rebuild its fortunes. Like a number of other yogurt chains, TCBY is experimenting with new products, including Mrs. Fields cookies and other new menu items on a limited basis. It is too early, though, to talk about results, Stouffer says, or what other directions the chain may eventually take.

The company has also brought in Charles Cocotas, veteran of Church's Fried Chicken and the highly successful young Boston Chicken chain, to take over as president and CEO of TCBY Systems, the subsidiary that finances franchises.

"The jury is still out, not on whether TCBY will survive, but on what its earnings and growth prospects will be three years from now," Stouffer says. "They have a very strong brand name,

which at some point they should be able to capitalize on, but if and when their earnings will grow again is hard to say. I don't think, however, that they will disappear. Their brand name is too strong and their product too viable, but clearly they are in a transition stage."

With its more than 1,700 stores still accounting for some 45% of total yogurt units, TCBY's fate will have an enormous effect on the segment.

CASUALTIES. The yogurt giant is not alone in its troubles. In the last couple of years several smaller chains have disappeared. Among the latest casualties is Malibu Franchising Corp., formerly based in E. Windsor, Conn., which operated 100 units primarily in the Northeast. About midway through '91, according to several franchisees, the franchisor cut off contact and apparently closed up shop, leaving a number of units to continue operating on their own.

Another struggling chain is Penguin's Place Inc., an eight-year-old company that achieved early dominance in the California market. Most of its 103 units, down from 125 two years ago, are in California. It also operates a few stores in Hawaii, Colorado, and Florida.

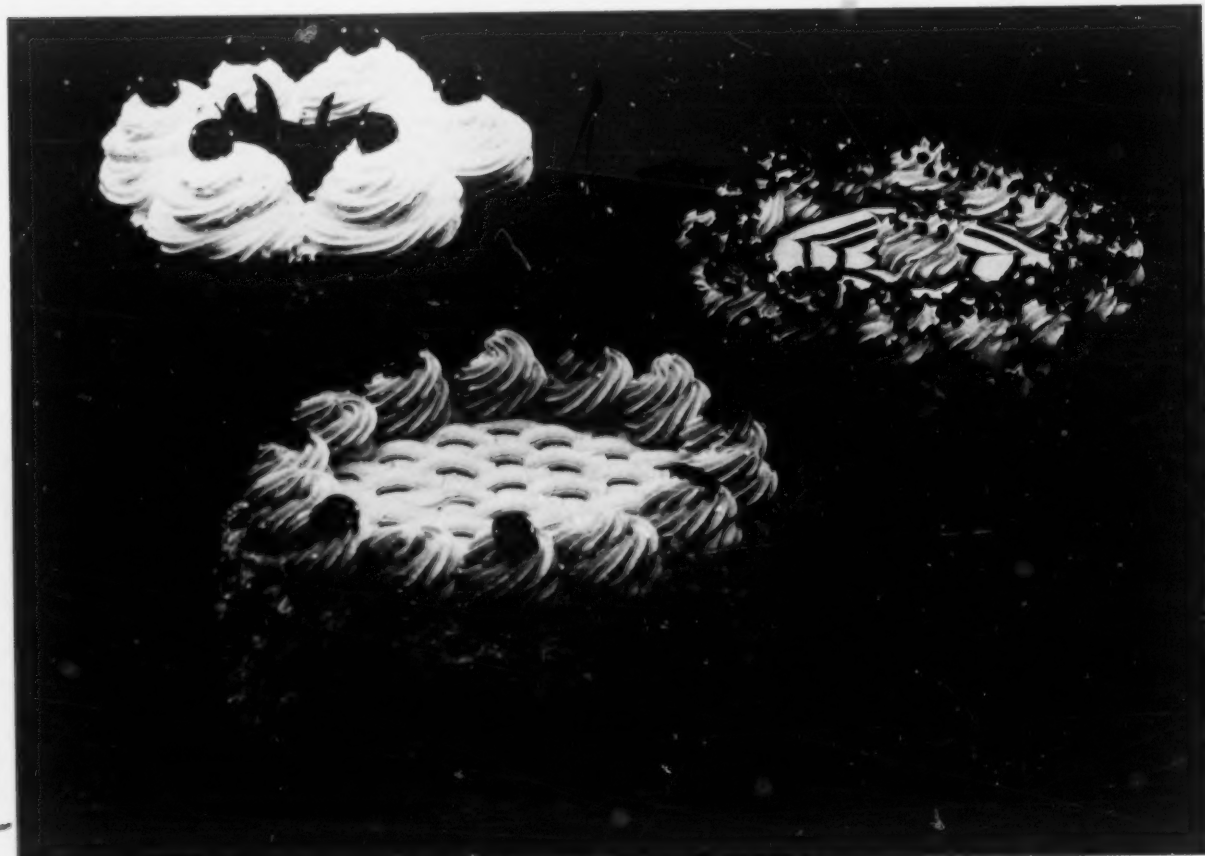
Penguin's filed voluntary Chapter 11 in September. It is now restructuring under the leadership of new president Van Velkinburgh, who formerly worked with Häagen-Dazs and as a consultant.

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ICE CREAM & YOGURT

MARKET SEGMENT REPORT



The leader in ice cream cakes has repositioned itself as the Carvel Ice Cream Bakery.

Van Velkinburgh is hopeful that the chain will emerge from the present "extreme downturn in the yogurt economy" through the combination of a new locations strategy, broadened product line, and renewed focus on marketing.

"I think there is a real future in the branded franchise concept," he adds. "Although the franchise yogurt community is having problems, independents are going out of business a lot faster."

Management is working with franchisees to formulate new business and marketing plans, but details are not yet in place. However, Van Velkinburgh says, the chain "will build out from its present direction." That means continuing to offer products like gourmet brownies, coffee and cappuccino, a fruit salad lunch plate, and smoothies, all

added two years ago. He notes the chain may also add ice cream, a move he expects other yogurt chains will make as well.

Because yogurt has become more of a commodity rather than a destination product, Van Velkinburgh says, Penguin's strategy will also entail shifting to more impulse-driven, high-foot-traffic locations from its current base in neighborhood shopping centers.

STILL PROFITABLE. I Can't Believe It's Yogurt (ICBIY), an affiliate of Dallas-based Brice Foods Inc., has also suffered from the combined effects of recession and proliferating competition. Nevertheless, the company is still profitable, says Reupke.

To maintain aggressive growth, ICBIY has shifted some emphasis to

international expansion plus new distribution avenues to supplement its retail shops domestically. Reflecting this, the company recently reorganized its corporate structure and created two new divisions: International, headed by president James H. Amos, and Alternative Distribution, presided over by Daniel Corrigan. Mark Liebel was promoted to president of the Domestic Retailing Division and Daniel Shimer to chief financial officer.

ICBIY has more than 800 shops worldwide including 107 in 16 countries outside the U.S. International expansion accelerated in the last nine months, Reupke says, concentrating on the Caribbean, Pacific Rim, and several European countries.

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ICE CREAM & YOGURT

MARKET SEGMENT REPORT

The company also built new stores in the U.S. last year and expects to open 50 to 70 more in '92.

In its alternative distribution efforts, ICBY is targeting its branded product in a wide range of nontraditional sites such as athletic stadiums, airports, employee and hospital cafeterias, and theaters. It already has more than 250 alternative distribution outlets across the country, among them in the headquarters of Ford Motor Co. and in the U.S. State Department. ICBY's yogurt, in a special 3.5-oz. hard-packed cup, is also served on American Airlines flights.

Another recent development is an agreement with Ann Arbor, Mich.-

based Ho-Lee-Chow Inc. to combine take-out and delivery of ICBY's products along with Chinese food at shared retail outlets. (See *RB* March 1, page 36.) The concept is now under test at an outlet in Dallas. The next step will be retrofitting 125 ICBY stores to add Ho-Lee-Chow facilities, followed by the addition of yogurt at Ho-Lee-Chow's three existing Michigan stores and up to 16 more to open late this year.

At the shop level, another new avenue of distribution for I Can't Believe It's Yogurt is a kiosk program. The company has thus far filled orders for about 70 kiosks and expects to see 150 in operation before year's end.

It is hoped the program will help boost average store sales, which dipped from \$219,000 in '90 to \$204,000 in '91.

Late last year the company added a new hand-scooped frozen yogurt which she describes as "virtually identical to premium ice cream in flavor and texture, but with one-half the fat and one-third fewer calories." The product is available in 16 flavors, affording franchisees a wider variety than soft serve typically offers. The scoopable yogurt is targeted to appeal to male consumers, who have held out for the taste and texture of premium ice cream, but still want to reduce fat intake. Those units that have already added the product have bucked sales trends with increases in volume and new customers.

ICBY also continues to develop new flavors for its 10-calorie-per-ounce Yoglacé product, and has added two new fruit topping choices for its 125-calorie sundae made with the low-cal product. The company is also testing non-yogurt products including a variety of baked goods in a limited number of company and franchised stores, and may experiment with a lunch program.

Other projects are in the works to help franchisees offset seasonal slumps. "We've gone to a highly promotion-based marketing program, but with an emphasis on value-added presentations that don't involve deep discounting," she says. In January it ran a "Cabin Fever Reliever" promotion in which every customer who came to the store received a three-month color calendar featuring time-dated coupons. A

Sales of frozen

yogurt rose to

over \$2.3 billion.

"Yoglacé Olé" promotion this spring, featuring new flavors Margarita and Sangria, offers a certificate for two free Jazzercise classes.

The strategy at Zack's Famous Frozen Yogurt, Winston-Salem, N.C., is to retool as an "expanded dessert concept" or "desserterie," says Jim Fogleman, who joined as chief financial officer in mid-1990 and became president last October. This will entail the addition of European-style bakery products and other new items in hopes of attracting a wider audience and boosting store volumes.

Zack's is a much smaller company than it once was, he adds. Before it was acquired by its largest franchisee in March 1990, Zack's had operated more than 200 units including 140 in the U.S. and 40 in Canada. Today it has just 87 stores in 20 states concentrated in the Southeast, plus three in Hong Kong and six in Japan. Same-store sales were down an average of 10%-20% last year, and systemwide sales were just \$12.5 million compared to \$20 million two years ago. "However," Fogleman says, "the shaking down has left us stronger as a company."

Zack's introduced new products this spring, including dip ice cream and European-style gourmet desserts like a cake made with seven different kinds of chocolate and an upscale carrot cake. "We've had some bakery items before," Fogleman says, "but they were limited to cookies. The new desserts are quite an advancement. We've done some test marketing and the response has been very positive." The stores will also add gourmet coffees to complement the dessert line.

Zack's plans for franchisees to market these items beyond the stores, too. "Besides selling them by the slice, we'll

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TOP FIVE ICE CREAM AND YOGURT CHAINS

	1991 U.S. Sales (Millions)	1991 U.S. Units
Dairy Queen	\$2,105	4,712**
Friendly Restaurants	519	780
Baskin-Robbins	510	2,293**
TCBY	323	1,728
Carvel	582	139

* Technomic estimate
* Company figure



ICE CREAM & YOGURT

MARKET SEGMENT REPORT

have cakes and pies available whole to take home for dinner parties or business meetings, and a coffee program.

Despite yogurt's healthful image, he adds, he feels there is a demand for less health-oriented, somewhat more indulgent frozen yogurt products. In response, the company introduced a gourmet yogurt last year with 4% milk-fat, in flavors like cappuccino and Bavarian chocolate, as an alternative to its 2% low-fat product. To complement its nonfat sugar-free product, Zack's also added a nonfat but sugar-sweetened variety.

About one-third of units now offer the Zmoothie, a 20-oz. frozen yogurt drink aimed at health-conscious consumers. Designed to double as a breakfast, lunch, or light dinner, Zmoothies are 20-oz. concoctions made with frozen yogurt, fresh fruits and fruit juices, milk protein, amino acids, and complex carbohydrates, and come in varieties ranging from 200 to over 800 calories for body builders.

Zack's is also testing alternative distribution sites for its branded product, including sports facilities, college campuses, and hospitals. Another area it is exploring is production of hard-pack frozen yogurt to be marketed through regional supermarket chains.

Two yogurt companies that outperformed the segment last year were Everything Yogurt, based in Staten Island, N.Y., and Freshens, a low-profile company based in Atlanta. Each has profited by anticipating strategies other chains are now jumping on: menu diversification and high-traffic locations geared to impulse purchasing by a captive audience.

"In 1991 we had the best year in the company's history," states Richard Nicotra, chairman and CEO of Everything Yogurt. To gear up for the challenge, the firm strengthened its management team over the last two



PHOTO BY MATTHEW P. SPANGLER

Everything Yogurt has offered an expanded menu from the beginning.

years, bringing in Tom Romano, formerly president of Gino's Restaurant Division, as chief operating officer. Other additions include new vice presidents of marketing and operations, and other staff to beef up franchise support.

SLOWER GROWTH. The company, now at 350 units, also took a slower approach to growth than other chains, picking locations carefully and negotiating more conservatively on rents, Nicotra comments.

Perhaps the key difference, though, is that it offered an expanded menu from the start featuring entree salads. "That has been important to our positioning for the '90s. You can't make it anymore as a yogurt-only operator. What worked in the '70s and '80s won't work in the '90s," Nicotra says. "The days of building yogurt stores in strip centers and expecting a family to get in the car and drive to you are gone. We've always been positioned as a place where you can get a meal and have dessert."

To emphasize this difference, the company has changed the name of new

stores to Everything Yogurt & Salad Cafe, and is gradually converting older units to the new identity. The 29 Cafes are running at an annualized rate of over \$500,000, compared to \$400,000 or below for older stores.

"We haven't changed the basic menu, but we're a little more clear now about what our goal is. Actually we've simplified it somewhat and targeted it better to what customers want, and value. We're doing what Taco Bell has done, but with healthy food. We're giving customers more salad than they can finish for less than they thought they would pay." The company is also testing some new products such as a grilled chicken breast sandwich.

Downtown stores do about 60% of sales in salad and 40% in yogurt, while mall locations average the reverse, Nicotra says.

Shops typically offer nine yogurt flavors with an emphasis on nonfat varieties including some sugar-free, plus low-fat alternatives. This spring the company also introduced a new product, the Cyclone—a blended yogurt concoction with a choice of 21 mix-ins. The company is testing hard-pack frozen yogurt, too.

Everything Yogurt is also stepping up promotional activities. The chain's

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**Virtually all chains have expanded
menus beyond more than one product.**



ICE CREAM & YOGURT

MARKET SEGMENT REPORT



Novelties like these Tiny Toon Adventures ice cream bars are playing a bigger role in Baskin-Robbins' sales.

product is now sold at Universal Studios in Hollywood and in conjunction it has six promotions scheduled with the movie studio this year. It celebrated its Sweet 16th Birthday with a party at Universal Studios in March.

"We were the first frozen yogurt chain in the country and we've seen a number of booms and lulls since we started the whole thing in 1976," Nicotra adds. "This 'cleaning out' time will go on for a couple of years, probably. But companies that have clear-cut marketing goals and a defined concept will still be here in '94, and will make it to the year 2000.

Also still going strong, Freshens has quietly grown to 220 units since December '85, when the first two stores—one in Louisville, Ky., and one in Atlanta—were launched by father-and-son team Richard and John Stern.

A crucial step for the company was its decision about three years ago to concentrate expansion on high-traffic, captive audience venues where it could

rely mainly on impulse purchases, notes Ed Redmond, vice president marketing. Today 175 stores are in enclosed malls, including all but two of 41 opened in '91, and most of 66 launched in 1990.

For '92 the company projects about 25 new units. The emphasis is on franchised growth but Freshens may also add to its nine company stores.

Although mall traffic and sales were down sharply last year, Freshens same-store sales remained very close to 1990's and this year have been trending up, Redmond says. The chain's systemwide volume hit \$44 million in '91.

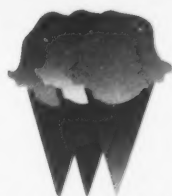
Along with concentrating on malls, Freshens has modified its store designs to capture smaller spaces. It is exploring nontraditional sites, too, such as airports and college campuses. Three years ago, it began developing kiosk units in malls as an alternative to food court and in-line stores, and in the last year has created a new, high-tech mod-

ular design that requires only a 12-ft. circle of space. It can be delivered on a truck and installed in less than 24 hours, Redmond says. The company is also working on a smaller modular design that can be plugged into combo operations with other concepts like cookie or sub shops. The firm has already been approached by several potential partners to discuss such tandem operations, he says.

Freshens features an ultrapremium product designed to fill an upscale niche. Its name plays on its use of 100% natural ingredients. It offers franchisees a choice of 40 flavors, typically rotated with stores featuring an average of six to eight at a time. They include three lines: its original 3% low-fat product, a nonfat version, and sugar-free nonfat introduced in 1990.

The shops also feature a bar of 35 toppings. They include an exclusive line of "cookie cake crumbles" made from gourmet cakes like toffee pecan

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ICE CREAM & YOGURT

MARKET SEGMENT REPORT

fluff and raspberry currant coconut.

Freshens stores sell just yogurt except for one new product added late last year, a frozen carbonated beverage aimed at kids. "We've gotten very aggressive about going after every opportunity to sell," Redmond adds. "We market very heavily to mall employees and provide custom pushcarts for shotgun sampling. We have a marketing calendar that tells managers what they should be focusing on each month and we help them join in mall promotions."

Ice cream operators for the most part have been spared the major trauma that has befallen many yogurt operators. However, it was not a year in which anyone "set the world on fire," says Gary See, vice president of marketing at Minneapolis-based International Dairy Queen.

A traditional favorite, Dairy Queen is the predominant ice cream chain in the U.S. Its 4,712 domestic franchised stores generated slightly over \$2.1 billion sales in 1991, by Technomic estimate. It also operates 59 Treat Centers in malls. They combine Dairy Queen with either or both Orange Julius and Karmelkorn drink and snack concepts.

Acquisition and conversion of 110 Druthers restaurants, located mainly in Kentucky and Tennessee, helped the chain achieve its 18th year of consecutive growth, although the increase was not large. "Given the depth of the recession, and how poorly others have fared, the fact that we held our own was a gain," See comments.

"Dairy Queen has always been pretty much recession-proof," he adds. "And in tough times, I think, people have a tendency to go back to things they grew up with."

International Dairy Queen is focusing more efforts than ever before on markets outside the U.S. Its biggest is Canada, with 423 units, followed by

Japan with 116. It operates about 60 more stores including some Treat Centers in a total of 15 other countries. Its first unit in China opened this spring. The chain had no major new product additions in '91, but does plan to debut a new novelty this year to complement its caramel nut bar, added in 1990.

It also added a second size to its Breeze, a blended product similar to the ice cream Blizzard, but made with vanilla nonfat yogurt combined with fruits or candy. About 65% of IDQ's stores have added yogurt over the past couple of years.

"Yogurt sales have pretty much stabilized, running at about 8%-10% of dessert sales or 1%-5% of total store volumes," See says.

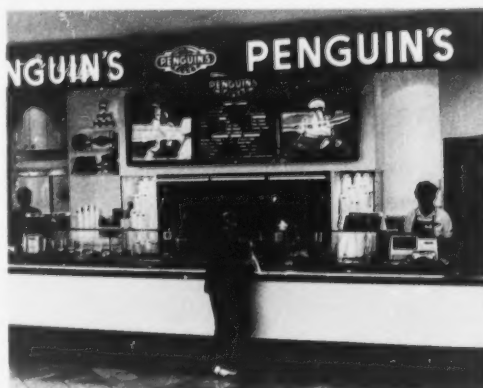
NEW CAKES. Another emphasis has been on upgrading its ice cream cakes and promoting new varieties as "cakes for any time, not just special occasions."

IDQ's Brazier stores, which offer a full food menu, also rolled out a Treat Meal for kids. It includes a choice of hamburger, cheeseburger, hot dog, or chicken nuggets, fries, small drink, and Dilly Bar, ice cream sandwich, or small cone for dessert, plus a premium.

Just over 75% of IDQ's units offer the full fast-food menu—up slightly from last year—while 1,088 are still classified as soft serve only.

A sort of smaller cousin to Dairy Queen is Tastee Freez International, based in Utica, Mich. Like its larger competitor, Tastee Freez is putting greater emphasis on full-menu stores that offer fast food as well as ice cream. At these units, which account for about half its system, ice cream and other frozen desserts contribute around 45% of sales.

Over the last three years, the 40-



Penguin's Place is adding new products and sites.

year-old chain has shrunk from 400 to about 340 locations, primarily through attrition of older stores, president Jim Brasier says. Only about 20% of remaining units are of the original walk-up, soft-serve-only format. The company is now working on a downsized prototype that would offer ice cream and a limited fast-food menu in a walk-up/drive-thru format. It hopes this will become an additional vehicle for expansion.

"We will still build our full-scale family restaurants. But the new prototype, at only about 750 sq. ft., will require a total investment of only about \$230,000 to \$250,000, compared to nearly \$500,000 for a full-size, full-menu unit," he points out.

Tastee Freez hopes to open a total of 10 stores in '92.

Some Tastee Freez units have added nonfat frozen yogurt in the last two years, primarily in metropolitan areas and on a regional basis. "We've made attempts in rural markets, but with less than anticipated success," Brasier says. "Our soft serve has always been 97.75% fat-free, so it actually contains less fat than many standard frozen yogurts."

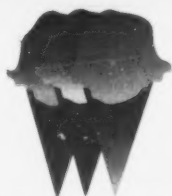
Tastee Freez also offers gourmet dipped ice cream, made in-store, in all new units and in some older ones.

The company is looking at nontraditional distribution outlets, as well. It has franchised Tastee Freez sections in five Love's Country Stores and anticipates expanding this program with the

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Ice cream retailers have also added

frozen yogurt to their menu mix.



ICE CREAM & YOGURT

MARKET SEGMENT REPORT

The number of ice cream shops declined 15% since 1988.

c-store chain, as well as others.

New for the company this summer will be some time-based promotions on the food side of the menu, offering variations on its "big country burger" with international toppings. The company's marketing theme for '92 is: "The hottest cool around." It is designed to play up the availability of its hot menu in addition to its cold desserts.

Friendly Restaurants, Wilbraham, Mass., does not release sales figures. Director of marketing Jack Luttrell describes its results in 1991 as "good," and said the outlook for 1992 is also positive. Technomic, however, estimates that the company probably suffered some decrease in sales.

Since its acquisition three years ago by Tennessee Restaurant Co., which also owns Perkins Family Restaurants, the formerly public company has become reluctant to release information.

Friendly operates 790 company-owned units in 15 states, with the majority concentrated in New England, primarily in Massachusetts. Although sales of frozen desserts, including ice cream cones and cups, frozen yogurt, ice cream cakes, and novelties like prepackaged sundaes make up a significant portion of sales, the company has for some time emphasized the food portion of its menu in its marketing.

One of the main promotional efforts by the full-service family restaurant chain for the last few years has been offers of free sundaes with various meal purchases. It has recently been updating units with a new decor package.

On the ice cream side, the company has been focusing much of its attention in recent years on increasing sales of retail product through supermarkets.

For Glendale, Calif.-based Baskin-Robbins, the emphasis continues on variety, to "provide something for everyone," says Marilyn Novak, director of market services. Light, low-fat products are still growing in popularity, she points out, as "more people become

aware that there are options."

The company added new flavors to its "Lighter Side" ice cream, which is 93% fat-free, including pineapple cheesecake and jamoca swirl. It also offers a 97% fat-free and sugar-free product in new flavors like chunky banana and pineapple coconut.

About two-thirds of its stores also offer soft-serve yogurt in low-fat and nonfat varieties, plus a sorbet.

Yogurt is more popular on the coasts and in major cities, but it is still growing," Novak says. Novelties are also playing a bigger role in sales. Chilly Burger ice cream sandwiches, introduced early last year, are available prepackaged in some flavors while others can be made fresh to order in the stores. In addition, Baskin-Robbins offers sundaes bars, "light" bars, and this year introduced its first licensed novelty: four Tiny Toon Adventures ice cream bars for children.

The chain grew by nearly 100 stores in '91, to 3,413 units. Most expansion was in international markets, which now comprise 1,120 units, but it is still filling in some U.S. locations as well. It

also just launched a new bakery concept called Bon Doux, as a Baskin-Robbins subsidiary. The store offers fresh-baked breads, pastries, and cakes, and a full Baskin-Robbins ice cream menu. The new concept is a joint venture between Baskin-Robbins Inc. and Seoul, Korea-based Shaney Inc.

Another stalwart chain is going into the bakery business. Carvel, characterized last year as a "sleeping giant," has awakened from its slumber and is using a marketing strategy formulated last year to transform the chain into a new entity known as Carvel Ice Cream Bakery. The plan grew out of management's conviction, notes vice president Sosnowski, that to compete in the frozen dessert segment today a company needs a very strong consumer identity and clear point of difference.

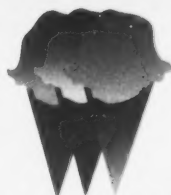
"Our research shows that in consumers' minds in the Northeast and Southeast we're the leader in ice cream cakes. That is our point of difference, which we'll continue to push forward with our new identity. It does not mean abandoning our fountain items, cones, and cups, but it gives us a special identity to focus on.

"We see ourselves in the dessert business," he adds, "not ice cream and yogurt. We present customers with a real reason to come to our store, because you can't get good ice cream

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Ben & Jerry's is known for its socially conscious approach to business.



ICE CREAM & YOGURT

MARKET SEGMENT REPORT

cakes everywhere, and we make all of ours fresh in-store."

The company's new logo signage, touting its bakery identity, is now up in more than 50% of units. The franchisor hopes to approach 75% by mid-year.

"For a system that has never really had any program to remodel stores since its inception, it has been very gratifying to see the positive response from our franchisees," Sosnowski says.

In 1991, Carvel focused efforts on transitional marketing and advertising featuring cakes and novelties, including a new line of "very upscale ice cream cakes that look like something you might buy in a gourmet bakery," Sosnowski claims. They include varieties like Cappuccino Coffee Cake and Sinfully Chocolate Fudge, and are marketed as everyday after-dinner desserts, rather than being geared to holiday and birthday celebrations.

This year the company debuted ice cream-filled cannolis. They will be joined before June by additional bakery-type products like tartufos, fruit-flavored swirl cakes, and baked Alaska. At the same time the company will launch its first major advertising campaign featuring its new image.

About 75 Carvel stores closed last year, mostly older, dated units, some of which relocated because trade areas changed. The chain also built 23 units with the new store design, bringing its total system to just under 600. It hopes to open up to 75 new units this year, fewer than 10 of them relocations.

Average per-store sales rose slightly, Sosnowski adds. Gallon sales of mix

were down a bit, but dollars rose due to the shift in strategy to focus on cakes instead of low-ticket cones and cups.

Bresler's Industries, Des Plaines, Ill.-based operator of 10 company-owned and about 250 franchised units in 30 states, is exploring new product additions to help boost sales. "We had a difficult market in '91, very competitive, and same-store sales remained rather flat," says director of marketing Mike Rapaport. Systemwide sales were about \$43 million.

The company dropped a nonfat, no-cholesterol frozen dessert that yielded less than satisfactory results and is now bringing out a low-fat, sugar-free dipped product with 4% butterfat. Bresler's also markets two yogurt varieties, regular and nonfat sugar-free. They account for about 35% of frozen dessert sales.

To build volume, the company recently approved baked-off cookies and some other snack items as optional additions.

About two-thirds of stores are located in enclosed malls, where most expansion will be focused for the near future. The company plans to open about 25 U.S. units in '92.

Bresler's is also taking its first international step, with a store in Saudi Arabia scheduled to open this summer. It hopes to build at least a dozen more units overseas in the next few years.

Outside the stores, Bresler's sells its yogurt at snack counters in Sam's Wholesale Stores, a warehouse chain.

Bresler's also owns Larry's Ice Cream & Yogurt, a 40-unit chain in Florida, acquired in October 1990. The two store's product lines are similar, but Larry's has more of a parlor atmosphere, with eat-in purchases served in glassware.

Rapaport feels '92 will shape up as another tough fight for market share, particularly against the growing variety

Low- and no-fat

frozen products

are proliferating.

and convenience provided by supermarket freezer cases, compounded by the recession.

SUPERPREMIUM. At the superpremium end of the market, Häagen-Dazs continues to grow its network of shops both in the U.S. and abroad. Häagen-Dazs is a subsidiary of Grand Metropolitan PLC, an international food, drink, and retailing conglomerate with annual sales in excess of \$17 billion. Häagen-Dazs' worldwide sales accounted for approximately \$500 million of that volume in '91, including product sold through supermarkets and other retailers.

The ice cream chain's own shops contributed about 8% of its sales. There are now 246 U.S. stores in 28 states plus Washington, D.C. and Puerto Rico. It also has 60 units outside the U.S. distributed about equally between Europe and Japan. The firm expects to add 16 U.S. sites in '92 and about 20 overseas.

Häagen-Dazs' emphasis this year, according to vice president of marketing Coleon, is to unify its brand across all channels of distribution. "Over the years we had developed two different identities, one in our retail stores and another for packaged goods," he explains. At the shop level, the program involves introduction of a new store design featuring its unified logo and signage, and a modernized decor package. Since April '91, 30 existing stores have been updated, and all new stores feature the design.

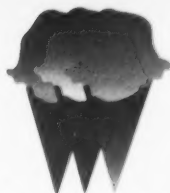
Häagen-Dazs also introduced a couple of products in '91: a nonfat soft-serve frozen yogurt to complement its low-fat, hard-pack yogurt, and a new ice cream flavor: toffee coffee crunch.

The two yogurt varieties account for about 15% of store sales. The shops also sell ice cream cakes, novelties, and pints, but 75% of sales are ice cream

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Freshens concentrates on high-traffic locations.



ICE CREAM & YOGURT

MARKET SEGMENT REPORT

cones or cups. Same-store sales rose by about 3% last year.

Häagen-Dazs also sells its branded product through alternate distribution

channels including other foodservice, but its emphasis is on building the shop system and bringing new customers into the stores, Coleon says.

"We're trying to raise our profile at the local community level through a strong program of local marketing and special event advertising. Our brand equity is strong, but we need to do a better job marketing the shops," he comments. With most stores still concentrated in New York, Los Angeles, and Miami, the company has a lot of room to broaden its base. Upcoming focus points may include San Francisco, Chicago, and Minneapolis.

Another superpremium operator with a strong brand identity is Ben & Jerry's Homemade, Inc., Waterbury, Vt. The company may be equally well known for its socially conscious approach to business and the counter-culture backgrounds of its founders, Ben Cohen and Jerry Greenfield, as for its highly regarded "Vermont's finest all natural ice cream."

SUPERMARKET SCOOP. Ben & Jerry's chain of four company-owned and 86 franchised stores contributed only between 5%-10% of sales in '91 as the company continued to focus more attention on national distribution through supermarkets. That growing business helped push total volume to almost \$97 million in '91 from \$77 million in '90.

Although most store sales were up in '91, the company has a freeze on new franchise contracts except for special franchise situations that reflect its social mission, says spokesman Rob Michalak. There are three such stores, such as one in Baltimore run by an organization called People Encouraging People. It employs developmentally disabled individuals re-entering the community from institutions. Another scheduled to open this year in New York's Harlem will employ homeless shelter residents that show motivation, with profits going to help the community.

Existing franchisees with multi-store contracts may also add some units, but the company's intent as far as its scoop shops will be to fortify its franchise program before resuming any new franchise drive, Michalak says.

Although the ice cream/yogurt segment is going through a shakeout, the future for those chains that survive will be a bright one. Americans still scream for ice cream—and frozen yogurt. **RB**

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RB

RESTAURANT BUSINESS

MAY 20, 1992
A BILL PUBLICATION

The Trials of Chairman Posner

Once convicted of income tax evasion, Arby's Victor Posner now faces charges of criminal contempt and misusing his company. If a federal judge in Cleveland has his way, Posner will have to give up Arby's, and he may even go to jail. Some franchisees wouldn't mind that a bit.

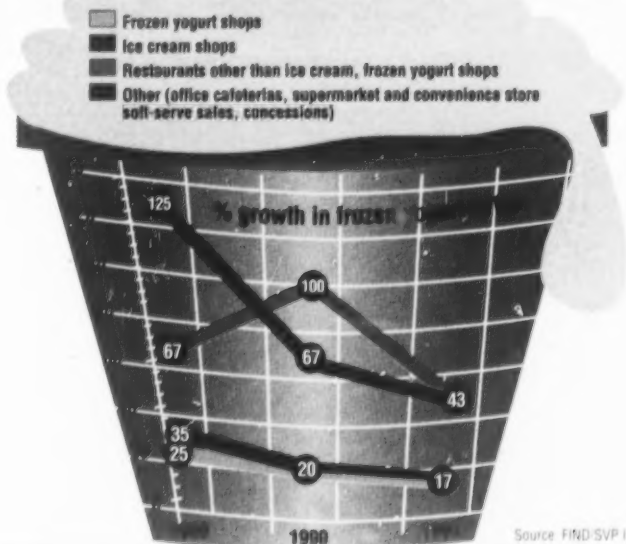
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BUSINESS BAROMETER

Frozen Yogurt Sales Melt

The soaring growth rate of frozen yogurt—especially evident in the late 80s—slowed considerably in 1991. The greatest sales gains last year were made in restaurants other than frozen yogurt and ice cream shops, such as fast-food places like McDonald's.

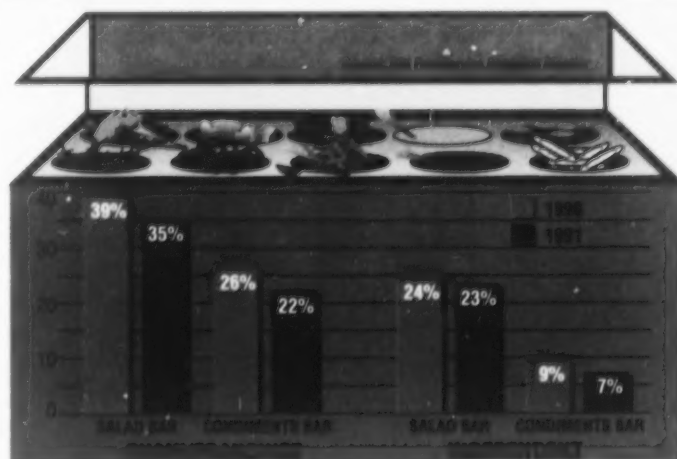


Seafood Consumption Dips

As the safety of seafood became a more important issue among consumers, restaurant seafood orders went down slightly in 1991. But upscale restaurants managed to hold on to the biggest share of the seafood pool, especially the higher priced establishments.

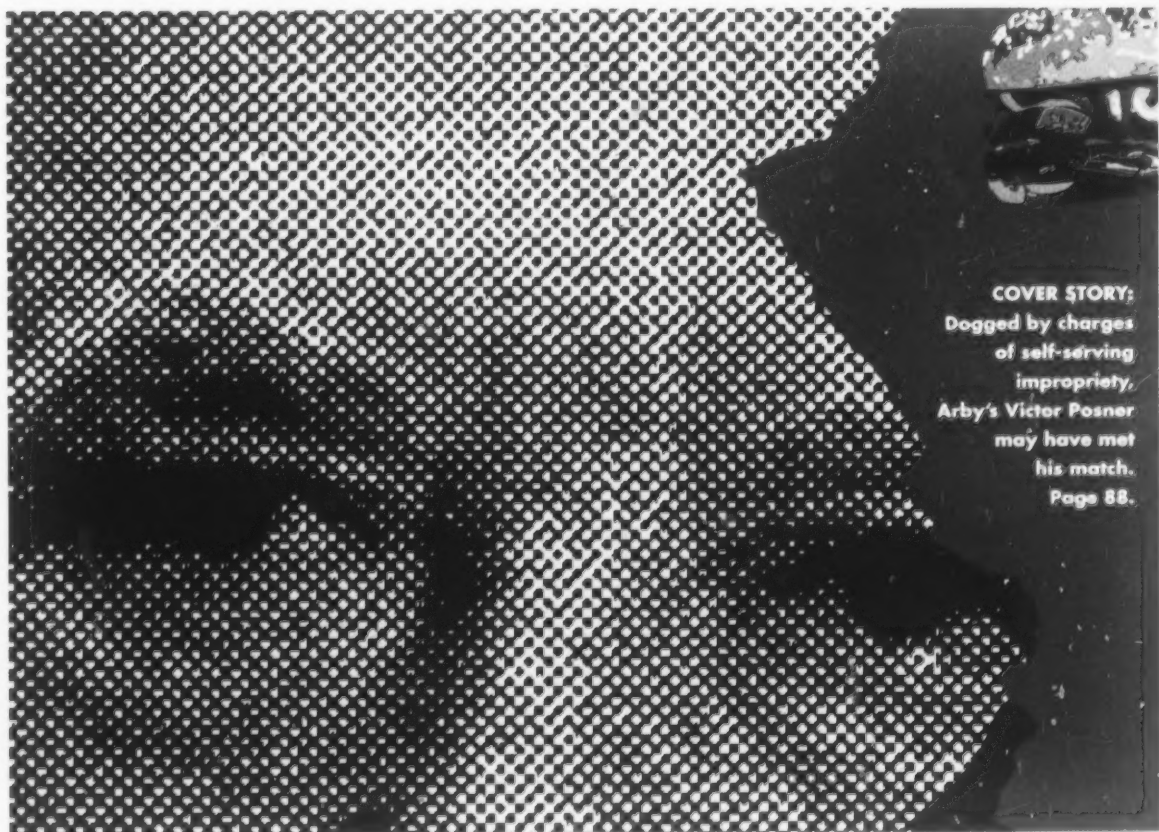
Salad and Condiment Bars Wilt

The percentage of operators offering salad and condiment bars declined last year, according to a newly released survey. In 1991, 29% of all operators polled had salad bars while 15% had condiment bars. In 1990, that figure was 30% and 18%, respectively.



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may have met
his match.
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COVER STORY

THE TRIALS OF CHAIRMAN POSNER. Dogged by charges of self-serving impropriety, Arby's Victor Posner has met his match in a federal judge who may force Posner to sell the chain or go to jail 88

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Cover Illustration by Jack Lefkowitz

Photograph by David Walters/The Miami Herald

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FOOD AND BEVERAGE

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IN THE NEXT ISSUE

RB COVER STORY RESTAURANT REVIEWERS. Who are these people and how'd they get to be so influential? This article features interviews with restaurant reviewers around the country and discusses their background and what makes them the "authority" on restaurants. Operators' views on the reviewers will also be included.

MARKET SEGMENT REPORT STEAK. Steak restaurants are hanging in there; few reported significant sales declines in troublesome 1991, and most began 1992 with strong showings. Upscale places still attract the expense-account crowd while the budget chains lure the economy minded.

DRAFTS, CARAFES VIVA VODKA. White beverages are climbing a popularity curve and vodka is the front-runner. The mixable and easy-to-drink potable also has import cachet.

EQUIPMENT I.Q. SOFT-SERVE. Summer is upon us and so is the urge to have a cone, a split, or a sundae. From the beaches to the ball parks soft-serve equipment will be working double time and some operators will even be adding a new "twist".



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The Secret is the Source

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RESTAURANT BUSINESS/MAY 20, 1992

PIZZA

MARKET SEGMENT REPORT

Pizza just might be America's favorite food, it is especially popular with kids. Operators find that it is unmatched in its suitability for take-out and delivery. The segment is coming off record growth that has tapered off in recent years, partly due to the recession and a maturing market. Once the province of Mom and Pop entrepreneurs, the pizza pie has been cut into by chains. Now even burger giant McDonald's is going for a slice, intrigued by the product's growth potential.

Traffic grew 3% in the pizza segment in 1991, equalling the previous year's rate, and once again slightly outpacing the industry's paltry 1% increase, according to the CREST report of the NPD Group, Park Ridge, Ill. Off-premise pizza traffic—approaching 70% of the total pie—grew at a 4% rate last year, considerably faster than on-premise's 1% rate, says CREST.

Growth in the \$17 billion pizza segment was brisk not long ago. However, aggressive chain expansion and widening distribution through other channels is keeping supply at, or above, demand.

Total pizza restaurants nationwide increased from 35,770 in 1985 to 51,256 in 1991, a 43.3% rise, according to the RE-COUNT report of RCG Inc., Evanston, Ill. In 1988 and 1989, pizza unit increases reached highs of 9% and 10%. Significantly, three-quarters of the units added were chain-owned.

But the growth ceased abruptly in 1990, as the number of units declined 0.4%, RE-COUNT shows. In 1991, it managed a 3.5% rebound, but still far below its recent performance.

These numbers may be slightly misleading because of the segment's move into alternative distribution, including schools, colleges, hospitals, industrial and office cafeterias, and supermarkets. Pizza is one of America's most widely available foods.

McTHREAT. Without question, the segment's most

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**The growth boom
of the '80s
has dwindled.**

By James Scarpa

Dallas-based Pizza
Inn is on the comeback
trail. Pictured are
some of the chain's
specialty pizzas:
taco, chicken fajita,
and BLT.



PIZZA

MARKET SEGMENT REPORT

Many of the segment players are concerned about McDonald's pizza test.

anticipated event is a threat from the outside: the rollout of McDonald's Pizza in 8,800 units.

The question is, when? The Oak Brook, Ill.-based burger giant is non-committal. It has said that pizza will be an element of its long-awaited dinner menu, which is still in development.

"I expect they'll continue the test in 1992 and roll it out at the earliest in 1993-'94," says Michael Mueller of San Francisco-based Montgomery Securities. Other observers remember that it took years and years to roll out Chicken McNuggets.

Currently in test in some 500 stores, the product is quick and inexpensive. In Columbus, Ohio, one of its test markets, pizza is served within three to five minutes, crew people claim. A 6-in. personal-size deluxe pizza with five toppings is \$2.19, a 12-in. deluxe family-size is

\$5.99. McDonald's tosses in a second family-size pie for just \$4 more. Signs in the stores announce that they will honor pizza competitors' coupons.

McDonald's promoted a limited-time Bacon Double Cheeseburger pizza in Columbus this spring as well, and a \$3.59 meal deal consisting of a personal pizza, side salad, and soft drink.

For now, pizza segment operators can only speculate about the impact of a national pizza rollout by McDonald's.

"Since 80% of our business is done at dinner, [McDonald's pizza] will be a threat to us and the segment," predicts Jim Fletcher, president and COO of Round Table Pizza. "It remains to be seen how much of McDonald's business will be at the expense of established pizza chains and how much it will expand the segment."

Mueller is not convinced it will be an

immediate threat to pizza players. "There's still a hurdle to overcome—do people view McDonald's as a pizza chain? Furthermore, pizza chains are improving their products and offering delivery, which McDonald's doesn't."

"If anything, the biggest fear is of the effect that McDonald's will have on demand for flour, sauce, and cheese," says Steven Jackson, president of Hungry Howie's Pizza & Subs, based in Livonia, Mich.

In this environment, many quick-service pizza operators are attempting to build customer frequency by expanding their menus. They're also improving sales-to-investment ratios by downscaling buildings.

UPPER CRUST. The nation's largest pizza chain, Wichita, Kan.-based Pizza Hut, has vowed a fight whenever McDonald's pizza appears. Pizza Hut's consistently strong earnings and aggressive growth keep it on the upper crust of the segment.

Last year, Pizza Hut reported an 8% increase in systemwide sales to \$5.3 billion. Company sales increased 10% to \$3.3 billion with operating profits up 28%. It has 8,837 system units, including 1,573 outside the U.S., with a five-year compound growth rate of 9.4%.

Pizza Hut isn't resting on its laurels. It's been pushing the research and development envelope with innovative test concepts. This spring, it tested Fastino's, a drive-thru pizza and pasta unit. Last summer, it intrigued the industry with the full-service, upgraded Pizza Hut Cafe.

The Fastino's unit, located in a Wichita strip mall, gives "service on demand," as senior vice president of marketing Robert Perkins puts it. "You get your food as fast as you can go through the drive-thru," he says.

Its three pizzas—pepperoni, beef and pepperoni, and a six-topping deluxe pizza—range in price from 79¢ to 99¢ for a slice to \$4.99 for a 12-in. pie.

The Pizza Hut Cafe, also in Wichita, offers full table service and a rustic Italian decor, which is more stylish than the typical red roof unit. The menu includes specialty pizzas such as "I

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Strong earnings have made Bertucci's Brick Oven Pizzeria a Wall Street favorite.

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Needa Fajita Pizza" and "Eve's Vegetarian Garden Delight," plus other items such as fettuccine, grilled chicken, and Caesar salad.

The Cafe is a laboratory to study menu variety, price/value, ambience, and service, Perkins explains. "We're very close to putting some of our experience from the Cafe into a red roof restaurant," he says.

In addition, Pizza Hut continues to expand its delivery business and develop nonconventional locations.

Delivery is Pizza Hut's fastest-growing slice of business. Last year, it exceeded \$1.2 billion or 30% of U.S. system sales. More than 1,000 new delivery locations will be added in the next few years. "We have a short-term goal of being the top delivery chain in America," says Perkins.

Nonconventional locations include airports, hospitals, Marriott Hotels, business cafeterias, school lunchrooms, sports stadiums, and even a supermarket in Phoenix. It's also investigating in-flight pizza service. Pizza Hut is likely to step up its use of mobile pizza carts in stadiums and other public venues; parent PepsiCo recently purchased a major stake in Carts of Colorado.

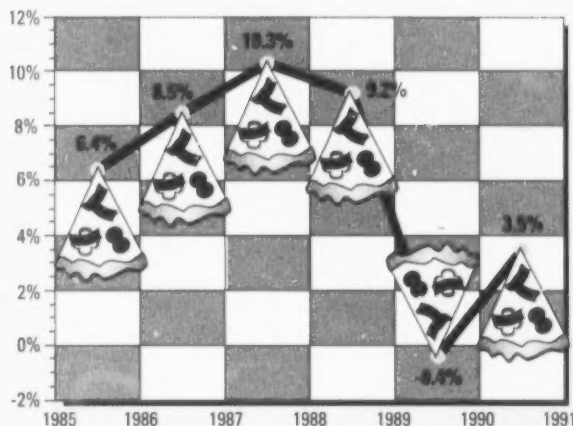
These are challenging times for Ann Arbor, Mich.-based Domino's Pizza, due to management's miscues and aggressive competition from Pizza Hut. Last year, the 5,400-unit chain lost a whopping \$48.7 million on a systemwide sales decline of \$250 million, the first decline in three decades. Most alarming for Domino's is that its once commanding market share in pizza delivery is down to about 46%, while Pizza Hut's is inching up to over 20%.

After a hiatus, founder and owner Tom Monaghan has returned to day-to-day management, replacing president Dave Black and other top managers and appointing former franchisee Phil Bressler as vice president of operations. Unable to sell the chain since

The Pizza Market Segment had an amazing 43.3% increase in total units from 1985 to 1991. But that rapid rate declined significantly in the '90s and has not regained the earlier record levels of growth.

SOURCE: Restaurant Consulting Group Inc., RE-COUNT

PHENOMENAL GROWTH FALLS FLAT



1989, Monaghan says he will give up as much as 49% of the company in an initial public offering later this year. In the short term, he's shed costly playthings such as antique cars and an airplane fleet. His baseball team, the Detroit Tigers, may be sold, too.

Domino's damage control consists of a revamped pizza with a crunchier crust and twice as much meat and cheese, a move intended to rival Pizza Hut's product. Furthermore, it is still trying to make a satisfactory pan pizza. In addition, Domino's is testing a budget-priced two-for-one pizza to compete with Little Caesars.

The leader in two-for-one carryout pizza, Little Caesar Enterprises, Inc., is squeezing Domino's on the low end. The Detroit-based chain offers deals that are nigh impossible for any delivery competitor to match. In the Midwest recently, it advertised two medium pizzas with one topping, two four-piece orders of Crazy Bread, and two 16-oz. soft drinks for just \$7.98.

Pepperoni! Pepperoni!, another deal it touted recently, offered two medium pepperoni pies with 94% more pepperoni, pepperoni Crazy Bread, and

Chocolate Ravioli for dessert, also for \$7.98.

High value perception has made Little Caesars one of the fastest-growing chains in recent years. It ended 1991 with \$1.7 billion in sales and 3,650 units. For 1992, it projects a 25% growth, to \$2.2 billion in sales and 4,575 units.

Dallas-based Pizza Inn has been making progress on the comeback trail since 1990, when president and CEO Jeff Rogers came aboard and took the chain out of Chapter 11 bankruptcy in less than a year. Rogers' turnaround efforts have emphasized basics such as store cleanliness and training. He has also sold off company units to focus on franchising. Pizza Inn's 420-unit system now has only about 18 company units, down from 135 when Rogers arrived.

Pizza Inn's debt has dropped from \$135 million to \$22 million. Last fall, Pizza Inn began showing double-digit comparable store sales. "We're nine months ahead of our business plan," says Rogers.

Franchisee morale has improved. About 22% of operators are remodeling their stores with new logo signage. They're showing increased interest in new store development as well.

Pizza Inn plans to open 43 more domestic units this year. International

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Overall, pizza traffic grew 3% in 1991; this equalled the previous year's counts.

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ally, where it franchises units in Taiwan and the Middle East, it plans 17 more units. Negotiations with a Mexican concern were taking place at press time.

Like many of its segment peers, Omaha, Neb.-based Godfather's Pizza is investigating alternative locations such as schools and hospitals. Mobile pizza trucks serve public gatherings such as county fairs.

Early this year, Godfather's joined several other major chain restaurant brands in the debut of a noteworthy new attempt to capitalize on consumer demand for ready-to-eat brand name foods in supermarkets. It's the Supreme Court food court, located in a Price Chopper supermarket near Kansas City, Mo.

On the new product front, it rolled out Super Hawaiian Pizza, topped with ham, pineapple, bacon, and green peppers. It also introduced potato wedges, which it calls a popular and simple addition to its buffet.

Godfather's had a "relatively good" year in 1991, says a spokesperson, although the privately held company declines to reveal financial details. The 511-unit chain includes 352 franchised units. In 1992, it foresees 7% to 10% unit growth.

Hungry Howie's Pizza & Subs recently celebrated the 200th unit opening of its all-franchised system. The chain was founded in 1973 and opened its first franchise a decade later. Now, it plans to step up its pace to a projected 40 to 50 new units this year. About 100 of its units are located in Florida, 80 in Michigan, with the remainder scattered in the Southeast, Ohio, and California.

Hungry Howie's distinguishes itself with its dual-item concept and its trademarked "flavored-crust" pizza, which includes butter-cheese, sesame, garlic, poppy seed, rye, and Cajun versions. The crust is flavored just before the pie enters the oven.

"Look in a discarded pizza box from another company, and you often see the crusts in it," says president Steven Jackson. "That doesn't happen with Hungry Howie's."



Godfather's broadened its menu with a Dessert Cherry Pie with streusel topping.

It anticipates the rollout in Michigan of Pantangle, a rectangular deep-dish pizza, popular in its Florida stores.

Subs are a sideline that accounts for 10% to 12% of total business. Other meal additions include Howie Bread, which is flavored with garlic, dill, butter, and Parmesan cheese, salads, and the Fruzza, 10-in. pizza dough rounds with fruit toppings.

San Francisco-based Round Table Franchise Corp. is known in California and nine other Western states by its slogan—"Get Real—Get Round Table." It draws attention to its quality ingredients and abundant toppings.

Today Round Table has additional items on the drawing board. "Chains have to look somewhat beyond pizza to maintain growth these days," says CEO Jim Fletcher. Included are signature items that will capitalize on its "California image," he says.

Other priorities for the 565-unit chain include expanding delivery, currently offered in more than 400 units and accounting for about 25% of sales, and enhancing the overall quality, ser-

vice, and cleanliness of the stores.

At a recent conference, Round Table franchisees received awards for high scores in a rigorous QSC evaluation conducted by outside consultants and undercover corporate staff.

In 1991, Round Table increased its system sales to \$317 million from \$311 million a year earlier.

South San Francisco-based Shakey's Pizza, a subsidiary of Inno-Pacific Holdings Ltd. of Singapore, was jolted by the sudden death of president Gene Stone last year. A permanent successor will be named soon, says Kay Yew Koh, acting president and CFO.

Shakey's was founded in 1954 as a unique blend of English pub and pizza restaurant with live Dixieland jazz. It grew quickly to a successful 500-unit chain by the early 1970s.

Subsequently, Shakey's passed to a succession of three owners, none able to maintain its momentum. In 1989 Inno-Pacific Holdings, an Asian investment and management concern, acquired Shakey's and provided an

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infusion of capital. Its goal is to make Shakey's a strong regional pizza and buffet chain. System sales in 1991 were \$125 million. Shakey's has 185 units in the U.S., all but 24 franchised, and 205 overseas.

Shakey's plans to restrain growth for now, adding only 10 new units in 1992. It hopes to stimulate increased future growth by developing a downsized unit with lower investment costs. The target is a 2,500-sq.-ft., \$400,000 building, a considerable step down from Shakey's 5,000-sq.-ft. to 7,000-sq.-ft. older units costing \$750,000.

Shakey's has one of the most varied menus in the segment. Pizza is the menu mainstay, but it also offers signature breaded and seasoned Mojo potatoes and an extensive salad bar. About a third of its stores, mainly in the Midwest, offer elaborate all-you-can-eat buffets all day, with fried chicken, fried fish, tacos, and pasta. Units in the

West focus more on pizza, limiting the buffet to lunch.

Shakey's considers chicken a competitive advantage. "Competitors won't make the investment to put in fryers to make chicken," says vice president of marketing Jim Fisher. A recent Shakey's promotion offered five pieces of chicken plus Mojoes for \$1.99 with the purchase of a medium pizza at the regular price.

New products include spicy chicken wings and a reformulated pan pizza with lighter toppings that cooks more quickly than the previous version. At times, the chain goes wild with specialty and promotional pizzas, such as a sauerkraut and Canadian bacon version for Oktoberfest and an offbeat pie topped with whitefish, crab, shrimp, and Thousand Island dressing.

Kerrville, Texas-based Mr. Gatti's wants to elevate itself above the realm of price wars and two-for-ones. "The

Off-premise

accounts for 70%

of traffic.

most important message we have to communicate is the quality of our product," declares Roger Blanton, president and COO of the 254-unit chain, which is a subsidiary of LDB Corp. Mr. Gatti's has 176 franchised stores. The privately owned firm does not release financial results.

Mr. Gatti's touts its pizza dough, made fresh daily in the stores. It also brags about the fresh herbs and aged, smoked provolone cheese it uses.

Mr. Gatti's Favorites line of pizzas include the Sampler, an 11-topping pie, *continued on page 158*



Pizzeria Uno is extending its menu beyond its signature deep-dish pies to include thin-crust pizzas.

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the Roman Holiday, with pepperoni, spicy Italian sausage, black olives, fresh tomatoes, onion, and bell pepper; the Mexican-flavored Fiesta; and the spicy Torch.

Its "No Double Double Talk" campaign purports that Mr. Gatti's gives good value for the price of one—not two—pizzas. The prices of medium and large cheese pizzas have been reduced to \$4.99 and \$5.99 respectively, with additional toppings priced \$1 apiece. What's more, its Daily Deals offers good buys on slow weekdays.

Mr. Gatti's restaurants are typically 3,500 sq. ft. and have 140 seats in three seating areas—a family dining room with big-screen TVs, a Good Times room that shows cartoons for youngsters, and a garden room with large windows that offers a quiet, relaxed atmosphere. Future units will include Gattilands, a family game room.

The recession is old hat for Tulsa, Okla.-based Mazzio's Corp. "Our core Texas and Oklahoma markets had their own recession in the oil bust of the early '80s," says marketing vice president Greg Lippert.

Lippert reports that the privately owned company had 245 units and \$130 million system sales in 1991. Same-store sales for the year increased 2.3%. They're up 2.6% in the first three months of 1992. "We compete very well with the big players as a regional chain," says Lippert.

New on Mazzio's menu this year are specialty pizzas—Cajun, Seafood, and the Pace Picante Pizza, topped with a brand name Mexican hot sauce. The restaurant also has a 30-item salad bar that includes pasta, chicken wings, and nachos.

A year ago, Mazzio's introduced Pizza Lite, a reduced fat and cholesterol pizza. "It's hard to get people to try it, but it is increasing in sales monthly," says Lippert. "It helps to bring in the over-35 crowd who grew



Edwardo's Natural Pizza has a contemporary Eurostyle prototype.

up on pizza," Lippert says.

Mazzio's growth pace this year will be "manageable," says Lippert, about one unit per month.

KIDDY SHOW. Kids aged nine years and under represent a good growth market, if not a gold mine, for Irving, Texas-based ShowBiz Pizza Time Inc. The menu features pizza, hot dogs, cotton candy, and a salad bar. However, its main attractions are a cast of robotic singing and dancing animals, led by the rodent Chuck E. Cheese, plus games, rides, and videos.

Currently with 274 units, 112 franchised, Showbiz opened 14 company units and three franchises in 1991, and projects another 25-plus company stores and three to five franchise openings this year, says executive vice president-development Dick Huston. An effort is underway to establish units in New York, where the system is under-represented, he says. Huston estimates system sales at \$300 million.

The company is the union of two former competitors similar in concept,

ShowBiz Pizza and Chuck E. Cheese. For the past several years, it has been converting ShowBiz units to the Chuck E. Cheese brand, which it believes is more defensible against trade name copying. At present, only about 75 stores remain under the ShowBiz flag.

ShowBiz, too, is working on a smaller prototype building, about 6,000 sq. ft., down from 10,000 sq. ft.

The struggling Dedham, Mass.-based Papa Gino's chain was sold to an investor group led by Gordon Miles, chairman of Green Leaf Ventures Inc. in San Diego, owner of the Rusty Pelican and Carlos Murphy chains.

The 218-unit chain, located mainly in the Northeast, with a few units in Florida, has suffered in recent years from a depressed New England economy and strong local competition. Worsening financial conditions caused it to suspend plans to franchise last year. Estimated 1991 system sales are \$143 million, per Technomic Inc. consultants of Chicago.

Some segment players seek a niche in smaller markets where the costs of doing business are less than in major metropolitan areas and major chain competition may be less as well.

"When you go into a small town, you're an event," says Hass Aslami, continued on page 160

Domino's pioneered delivery, but now most of the chains are offering it, too.

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president of Pizzas By Marchelloni. "In a big city, you're just another pizza place."

The 30-unit Joliet, Ill.-based chain can develop a pizza delivery-carryout store in a small town for a fraction of big-city costs.

Its 1,200-sq.-ft. delivery-carryout pizza units, located in Illinois towns such as Minooka, population 1,565, and Manteno, population 3,155, cost on average \$65,000 to \$70,000 to start up. But some sites can be opened for as little as \$27,000 with leased equipment.

Naturally, megabucks marketing budgets are out of the question in such a modest system. "It's impossible for us to compete dollar for dollar with Pizza Hut and Domino's," says Aslami, a former PepsiCo marketing manager. "But we've been successful in teaching our franchisees community marketing."

For example, a Pizzas By Marchelloni franchisee increased his profile in the community by raising \$900 with a special pizza sale to help rebuild a church flattened by a tornado. Another franchisee sponsored a pizza benefit for a community member who needed a heart transplant.

One franchisee sells cards to local businesses for a nominal fee good for \$2 off the price of any size Marchelloni pizza. The local gas station or insurance agency then hands them out to patrons or encloses them with invoices as a goodwill gesture. "It makes you feel that the sender went out of his way for you," says Aslami. "It's not a coupon that comes in an envelope full of junk mail."

Madison, Wis.-based Pizza Pit is a regional chain that plies smaller Wisconsin markets as well as the sizable Madison area, the state capital. Like Pizzas By Marchelloni, it derives publicity from local charity benefits and community events, such as the recent kids' bicycle inspection it co-sponsored with the police department. "We feel we're closer to the community than the major chains," says marketing director Tom Hartl.

The 26-unit chain also has a single store in northern California, but it is



Little Caesar's offers meal deals of pizza, salad, and Crazy Bread.

negotiating to convert some additional local pizza places there, Hartl says. All told, it has 14 franchised units and finished 1991 with system sales of \$13 million.

These days, meal deals "are the rage," says Hartl. Good examples are pizzas sold with add-ons such as breadsticks, garlic bread, or a bag of candy bars. The pizza and candy deal "worked surprisingly well," he notes, despite current diet-conscious trends.

Pizza Pit is also known for its offbeat TV advertising in the Madison market. For example, it runs 30-second spots that juxtapose split-screen images of

Ollie North or Nancy Reagan and a monkey. When election time draws near, Hartl anticipates having similar fun with the presidential candidates.

TAKE-AND-BAKE. Take-and-bake pizza is well-established in the Pacific Northwest. If it spreads further, the concept could radically alter the perception of value in the pizza business.

Consider Portland, Ore.-based Papa Aldo's, the country's largest take-and-bake chain with 66 units, most in Oregon and Washington. Its typical 1,000-sq.-ft. strip center store costs \$70,000 to \$110,000 to open, saving

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space and money by eliminating seating and ovens. It offers the public a pizza to bake at home at a price 30% less than a ready-to-eat pizzeria pie, and substantially less than a delivery pizza, too.

For example, a Papa Aldo's combo pizza with eight toppings—including 70 slices of pepperoni and a pound of cheese—weighs nearly 4 lb. and sells for only \$11.95.

Papa Aldo's is coming off a "terrific" 1991 in which sales increased more than 17% over the previous year, says vice president of operations Jerry Kenney.

However, sales were stagnant a few years ago, due largely to increasing competition from supermarket deli take-and-bake. "There wasn't that much difference between us and the

supermarket product," says Kenney.

Papa Aldo's turned itself around by upgrading its food quality. It switched to scratch-made dough and sauce, and whole milk mozzarella cheese.

Papa Aldo's expansion is confined to the Pacific Northwest for now. In another year, Kenney foresees expansion outside the area. "The hurdle is communicating what take-and-bake is all about," he says.

GOURMET PIZZA. A number of full-service pizza chains have been positioning as casual-dining spots, a niche in which pizza fits nicely. A broadened and upgraded menu, fancier ambience, more service, alcoholic beverages, and a moderate check are the draws for maturing baby boomers.

Independent operator John Tosto

sees a growing market for the 25 varieties of gourmet pizza he sells at Wild Asparagus, a deli, pasta, and pizza operation in Evanston, Ill.

Most popular is the signature Wild Asparagus pizza—grilled eggplant, zucchini, provolone cheese, roasted red peppers, fresh mozzarella, and asparagus. "We're glad we're in this niche—our pricier items don't sell as well as our \$7.95-\$9.95 pizzas," says Tosto.

The most heralded gourmet pizza purveyor is Los Angeles-based California Pizza Kitchen. "We see ourselves as an upscale family restaurant serving pizzas and pastas," says co-owner Larry Flax. Albeit unusual ones. Among CPK's creations are the Southwestern Burrito pizza, topped with lime-marinated chicken breast, black beans, mild chiles, cheddar, green tomato salsa, and sour cream, priced at \$8.50 and the Tuna Melt pizza, topped with tuna salad, sliced Roma tomatoes, sweet white onions, and aged cheddar cheese, \$6.50.

"Some might say our check average—a little less than \$10—is expensive for pizza," says Flax. "But we're after people who want quality, not quantity, and are willing to pay a little more for it."

CPK, which has 25 units in eight states, including outposts as far flung as Honolulu, Hawaii and McLean, Va., expects to open at least seven more units this year, and 15 more in 1993. It's gearing up for openings in Seattle, Boston, Dallas, New York City, and southern Florida. It counts on high name recognition in new markets from people who have traveled around the country and eaten in its established units. Sales totaled \$55 million in 1991; \$77 million are projected for 1992.

However, don't look for CPK to do much more franchising in addition to its pair of units in Las Vegas. "We never say never, but we're not favoring franchising, because these restaurants are difficult to run," says Flax.

Menu evolution is a continual process at CPK. "We aren't trendy, but we like to interpret trends," says Flax. When a pizza loses popularity, such as its andouille sausage-topped Cajun model,

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it is ultimately replaced with a fresher taste, such as the new Rosemary Chicken Potato Pizza.

Lately, CPK has stoked up its lunch business by adding soups and sandwiches—in a CPK vein. For example, it introduced pizza bun sandwiches made with pizza dough. A favorite sandwich is grilled eggplant, roasted peppers, and smoked mozzarella. Sedona White Corn Tortilla Soup and potato leek soup are each priced at \$3.95.

Mid-Continent Restaurants of Hillside, Ill., fancies its Edwardo's Natural Pizza a casual-dining concept, too. Edwardo's now has a new contemporary Eurostyle restaurant prototype that underscores that identity. "It has lots of plants, windows, and modern art posters, for a sophisticated antithesis to the old fashioned grotto look of the Mom and Pop pizzeria," says vice president of marketing Russ Lubliner.

Founded in 1978, Edwardo's was one of the first to offer stuffed pizza with whole wheat crust and fillings such as fresh spinach and broccoli, topped with regular and low-fat mozzarella cheese. It has 21 units, six of which are franchised, in the Chicago area, Minneapolis, and southern Wisconsin.

"This food was unusual then, but now it's an accepted way of eating," says Lubliner. In addition, Edwardo's has expanded its menu to increase customer frequency. New items include *pasta e fagioli* soup, chicken breast Caesar sandwich with roasted peppers on an Italian roll, and radiator-shaped pasta with broccoli and Italian sausage, \$6.95. "You can pay \$14.95 for that in downtown Chicago," says Lubliner.

Edwardo's plans to franchise more aggressively now. It is negotiating a multi-unit deal in Pittsburgh and considering others in the Midwest.

Woburn, Mass.-based Bertucci's Brick Oven Pizzeria has become a Wall Street favorite with its fast growth and strong earnings. It recently conducted its second public offering, raising \$14.2 million. The chain will grow from its Boston hub outward in concentric circles, toward New York, New Jersey,

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and the rest of the Northeast.

Founded in 1981, but not expanded until 1985, Bertucci's had 27 locations, all company owned, and \$37.5 million in sales by 1991. Last year, comparable store sales dropped 0.4%, "not bad, considering New England's economy," says vice president of finance Norman Mallett. Average unit volume is \$1.6 million, with newer stores running about \$2 million. Eight more are expected to open this year.

The concept works by focusing on food quality. Pizza dough, pastas, bread, soups, and desserts are all made in house. The pizzas are fired in a hardwood brick oven. Bertucci's offers 15 specialty pizzas, including Nolio, topped with slivered prosciutto and

caramelized onions, cream sauce, and extra Romano, (\$7.20 small, \$11.80 large); Fra Diavolo, with hot cherry peppers, sweet Italian sausage, tomato sauce, and mozzarella (\$7.20, \$11.80); and Rustica, roasted peppers, pepperoni, tomato slices, black olives, olive oil, and a sprinkle of mozzarella (\$8, \$12.35).

A recent addition is menuccis—miniature pizzas—priced under \$5. Also slated for rollout is a dessert antipasto—a collection of bite-sized desserts, such as cannoli, tiramisu, and biscotti.

Bertucci's menu includes appetizers, salads, soups, and sandwiches, plus beer and wine. The check average is about \$6 at lunch, \$9 at dinner.

Bertucci's is also working on a "big tasting table" of complimentary nibbles

that people can enjoy while waiting to be seated.

Pizzeria Uno, another Boston-based chain, is hoping that menu additions and a new building enhancement will increase its destination appeal and help improve a rocky fiscal 1991.

"We were very glad to see 1991 become history," says Bob Brown, chief financial officer for West Roxbury, Mass.-based Uno Restaurant Corp. He cited the poor New England economy as the major factor in its 1991 net income decline, down to \$3.2 million from \$3.8 million a year prior, on system sales of \$135 million. Company store comparable sales declined 4%.

To broaden its 12-item signature line of Chicago style deep-dish pizza, which accounts for 40% to 50% of all entree

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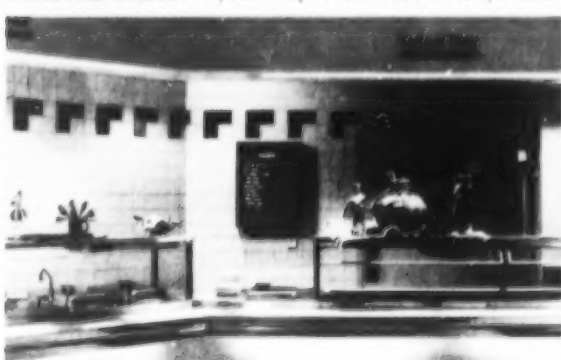
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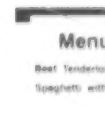
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sales, it recently introduced thin-crust pizzas called Plizzettas, in its Boston and New York markets.

Plizzetta toppings include BBQ shrimp, BBQ chicken, and Cordon Bleu. Prices range from \$4.95 to \$7.95.

"As we broaden the menu, we blunt the veto factor," says Greg Keenan, vice president of development. In addition to the pizza lines, Pizzeria Uno menus pasta, burgers, sandwiches, and chicken entrees. Some units even offer fajitas. The check average is \$8.75.

Pizzeria Uno has 101 units, 45 of them franchised. It projects 20 more units this year, half will be franchised. Company store expansion will occur from New York to Virginia Beach, concentrating on New York Metro and Baltimore-Washington ADL. Franchise



Shakey's developed a downscaled unit.

growth will concentrate on the West Coast, Michigan, and the East.

The 100th Pizzeria Uno recently opened with a new bistro-style look with a vaulted ceiling, located in an office building near Boston. The company is attempting to incorporate some of those design elements into its pad restaurant locations.

Prime Pizzeria Uno locations include sites near cinemas "because there's a good synergy between the theater customer and our customer," says Keenan.

It also does very well in festival marketplaces, such as Baltimore's Inner Harbor and New York's South Street Seaport, where it recently opened. "We don't raise our prices in this type of location, so we stay affordable to the family," says Keenan.

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RESTAURANT BUSINESS

Have Restaurant Reviewers Gone Soft?



51200-5
JUNE 10, 1992
A BILL PUBLICATION

BUSINESS BAROMETER

Customer Traffic: Not Breaking Down Doors

Customer traffic at restaurants in 1991 posted a negligible 1% increase, lower than the previous two years. The quickservice segment showed the most sizeable advance while the upscale segment had the biggest drop.

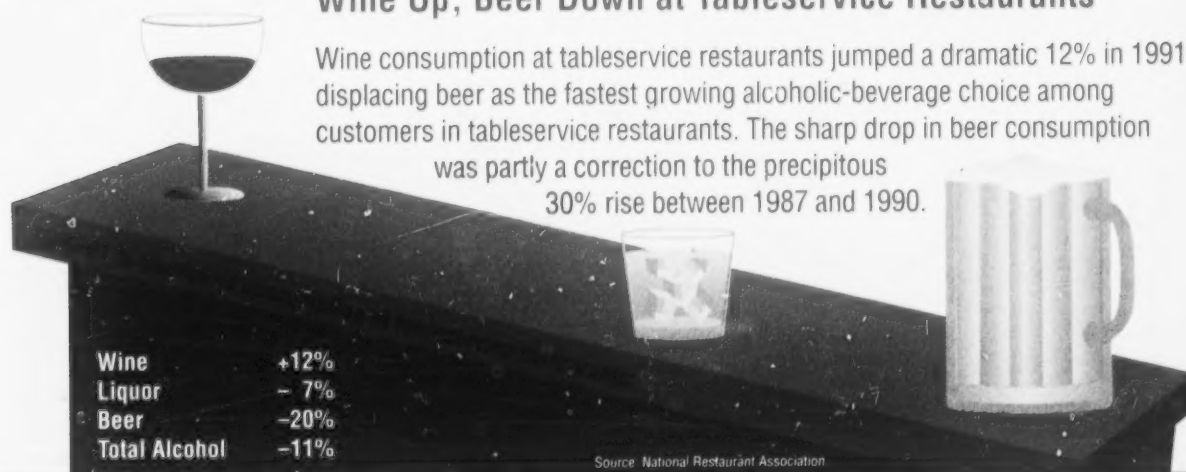
*% change in
customer traffic:*

	1988	1989	1990	1991
Total Industry	0.5%	1.4%	1.7%	1.0%
Quickservice	1.8	1.2	2.4	1.8
Midscale	-2.4	0.9	-0.5	-0.6
Upscale	-1.4	5.0	2.0	-0.7

Source: NPD/CREST, National Restaurant Association

Wine Up, Beer Down at Tableservice Restaurants

Wine consumption at tableservice restaurants jumped a dramatic 12% in 1991, displacing beer as the fastest growing alcoholic-beverage choice among customers in tableservice restaurants. The sharp drop in beer consumption was partly a correction to the precipitous 30% rise between 1987 and 1990.



Source: National Restaurant Association

Consumers More Sensitive to Environment (and Pocketbooks)

An increasing number of consumers are passing up products due to environmental considerations and believe plastic packaging contributes the most to the solid-waste problem. But they aren't willing to pay more for environmentally safe packaging, perhaps because of the recession.



Source: FIND/SVP, Gerstman & Meyers Survey

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Cover Sculptural Illustration by Timothy Young
Photograph by Jeff Heiges

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IN THE NEXT ISSUE

MINORITIES STATUS REPORT. This article takes a close look at minority franchisees in major chains across the country. How many have made it? How have they fared? What opportunities remain?

SPECIAL REPORT THE CHALLENGE OF CHILDREN. Is there a down side to courting kids? Every operator wants to be accommodating, but for more serious, adult-oriented establishments, is it a risk?

MARKET SEGMENT REPORT SEAFOOD. The pricing and supply issues that were causing problems have eased up. Seafood has the reputation of being a high-priced item and restaurateurs have to convince diners that fish is a good value.

TEST KITCHEN AMERICAN ETHNIC. *RB* talks to operators who menu dishes based on America's indigenous ingredients and Native American cooking traditions. Call it cross-cultural or call it ethnic, this cuisine is made in the U.S.A.

DRAFTS, CARAFES LOW/NO ALCOHOL DRINKS. Sometimes less is better. Whether it's for the designated driver or the calorie counter, these crowd-pleasing libations capture patrons.



TEST KITCHEN:
Chicken, p. 105.

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RESTAURANT BUSINESS/JUNE 10, 1992

Have Restaurant Reviewers Gone Soft?

Red Sage was this year's hottest restaurant opening. It was years and millions in the making. Naturally, foodies far and wide pondered whether owner Mark Miller's "modern Western" spectacle in the nation's capital would live up to pre-opening expectations.

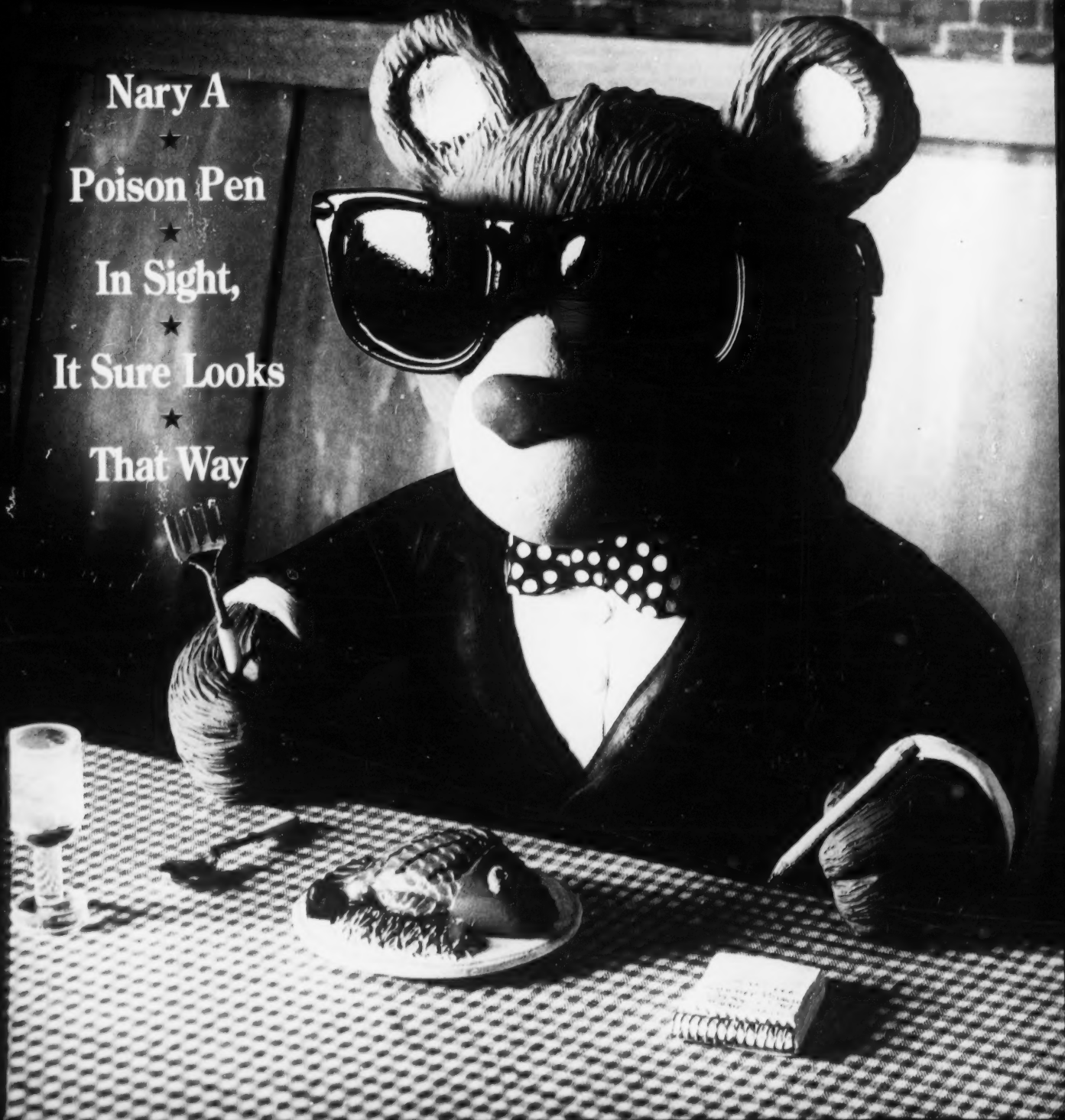
Phyllis Richman, the *Washington Post's* esteemed restaurant critic and one of the paper's highest-paid writers, went six times before writing her review. Says Richman: "It was the most important restaurant to open in a long time."

If Miller lost any sleep worrying about Richman's impending critique, he needn't have. Here is what she wrote: "Red Sage is the kind of restaurant you could love or hate, depending on where you sit, when you eat, and what you order. Let me help you love it." And she did just that.

No need to fear your local restaurant critic. Restaurant reviewers are kinder and gentler folks these days, and they're not out to hide it. Says Bill Rice, food editor of the *Chicago Tribune* and former editor of *Food & Wine* magazine: "Ninety-five percent of what is written about restaurants is favorable and positive."

By Marilyn Alva

Nary A
★
Poison Pen
★
In Sight,
★
It Sure Looks
★
That Way



In fact, today's reviewers act more as populist-style consumer restaurant guides than finicky gastronomes. They're mostly interested in pointing the way to the best little Liberian restaurant in East L.A., or the new bistro that gives the best value in South Chicago.

The rules have changed. No more ruminations on whether, as Craig Claiborne once said, the Russian caviar is too gray or too black or too big and where do you rate it on a scale of one to ten.

"The new rules are who can get there first," says Gael Greene, the longtime restaurant critic for *New York* magazine.

Although reviewers may take a stand when a duck is a flop or a snapper is a slouch, that's not their primary mission. "The

whole idea of a mass appeal medium is to find places where you might want to eat out," says Bob Levey, former restaurant critic for the *Boston Globe*. Levey says that to advise readers where *not* to go in a city like Boston would be a disservice.

What's more, as restaurants have transformed into living theater—where entertainment value ranks high—food has become less important. In review after review, food enters in almost as an afterthought to the whole gestalt of the



dining-out experience. The black-bean chili or smoked mushroom sauce isn't even talked about most times until the decor, noise level, crowd, and waitstaff are dispensed with.

Of her own job, *Baltimore Evening Sun* reviewer Mary Maushard says, "This is not high brow. People go out to restaurants for the entertainment. You have to say, 'Are you getting your money's worth? And is it a pleasurable experience?'"

"Food used to be it, totally, for me," says Richman. "I've changed." She says in many cases food is almost irrelevant to a restaurant that has interesting people in it or comfortable chairs. Echoing that thought, one prominent reviewer says that if he were ever to open a restaurant he'd call it "Lots of Models Eat Here."

"There are a lot of restaurants here where food is not the main thing," says *Los Angeles Times* critic Ruth Reichl. "I ask: Is it living up to the standards it set for itself? A lot of places are not trying to serve fabulous food."

Maybe so. But some operators believe reviewers have strayed too far from food and become too populist.

"When was the last time you read an

opera review that said the seat was not comfortable and the people in the audience were noisy?" asks Miller. "They miss the point sometimes. Reviewers take the food too lightly. Just because you eat doesn't mean you're a food critic."

Although he was partial to French cuisine, Claiborne's educational approach to reviewing in the late 1960s and 1970s—explanatory dissections of dishes—nevertheless helped expand Americans' culinary horizons beyond meatloaf and mashed potatoes. Claiborne chides contemporary reviewers for paying more attention to the surroundings than the food. "That disturbs me," he says.

But the former *New York Times* restaurant critic also thinks the reviewer's job is more difficult today.

"When I was reviewing, I went to restaurants with menus of classic French and maybe Italian; the menus were more stable and standardized," says Claiborne. "Now that they're inventing more dishes—with Asian ingredients like lemon grass, for example—you've got to simply go and pray that you're correct."

Still, a drop-dead bad review is rare these days. Most reviewers say they won't even review places if they're not up to snuff. "Why tell people about a bad place?" asks Michael Bauer, food editor and restaurant reviewer for the *San Francisco Chronicle*. Betsy Kline of the *Pittsburgh Press* maintains, "I never go out of my way to slam a place given that it's such a hand-to-mouth business and profit margins are not so good."

Her competitor at the *Pittsburgh Post-Gazette* saw things that way, too, but he was under federal investigation for allegedly trading favorable reviews for money. Before any charges were filed, Mike Kalina killed himself.

Though the Kalina case is considered an extraordinarily isolated one among the major daily newspapers, ethics at smaller community papers, where newspaper expense budgets are small, are still questionable. "This is still a profession riddled with charlatans and people on the take," Reichl charges.

Most restaurant critics for daily newspapers hardly consider themselves Woodwards and Bernsteins of the restaurant beat. In fact, most are as easy on restaurants as garden writers are on petunias.

Take Jonathan Susskind's critique in the *Seattle Post-Intelligencer* of Botticelli Cafe. He wrote that the rigatoni with vegetables in cream sauce was "droll" but also "competent." The pasta and grilled veal chop at Cafe Pro Bono in Palo Alto was deemed by *San Francisco Chronicle*'s Tom Sietsema to be "watery" and "lacking in luster," respectively. But he suggests such transgressions be forgiven "in light of a team of servers that know how to pamper."

Even when they aren't pleased, restaurant critics find a nice way to say it. Chicago *Tribune* critic Phil Vettel says he has no qualms slamming an "important" restaurant if warranted. "It's my sworn duty to tell every-

"As theater, Maggiano's is terrific. For large groups, Maggiano's is a lot of fun. And as a food experience—say, did we mention how much fun this place is for groups?"

**—PHIL VETTEL
THE CHICAGO TRIBUNE**

★ GAIL GREENE ★
NEW YORK MAGAZINE

body if Rich Melman opens a crummy place," he says.

Vettel reviewed Melman's Maggiano's earlier this year. He found good and bad in the new Italian restaurant, but his "duty" didn't compel him to dwell on the bad. "As theater, Maggiano's is terrific," wrote Vettel. "And as a food experience—say, did we mention how much fun this place is for groups?"

Operators have noticed a change.

"They've lightened up a little bit," says Nick Nicholas of Nick's Fishmarket in Chicago, who years ago was so angry with petulant critics he organized an advertising and circulation boycott against the papers they wrote for. Ten years ago, he says, "Reviewers were as nasty as they could be. They got a kick out of closing restaurants down."

"For a while they were almost vicious," adds John Schroeder, a professor in the department of restaurant, hotel, and tourism at Purdue University, and a former reviewer. "I do think they've gotten easier."

Once, Michael O'Keeffe, owner of The River Cafe in Brooklyn, N.Y., and the Water Club in Manhattan, refused to serve former New York Times reviewer Mimi Sheraton because, he says, "she was destructive to the business. There was no objectivity to her reviews." Sheraton, who studied cooking and spent time in France, was once described as a tough, dour inspector general in her approach to reviewing. She felt it her duty to write bad reviews as well as the good.

O'Keeffe praises the Times' current reviewer, Bryan Miller. "He struggles to be objective. You can't ask for more than that."

The influential Miller has taken exception to the rush-to-get-there-first style of reviewing. In a recent review of Manhattan's Park Avenue Cafe, he wrote: "I have waited several months to assess this place, not out of sympathy for a new establishment that needs time to get its sea legs, but because holding back yields a portrait of the restaurant that holds up over time. Premature reviewing often leads to highly equivocal assessments that have little value."

But, in actuality, Miller is himself no angel. He writes quick, impressionary reviews in a secondary column featured near his weekly reviews. It's called "Diner's Journal." In one recent quick take, he scrutinized the "newly reformulated" Raoul's

Brasserie and Grill. Refreshingly, he advised not rushing downtown to sample the food ("average"), but not before complaining of the sweaty, bigger-than-life basketball players on the giant projection screen.

So, should restaurant reviewers even be called critics? After all, their backgrounds are as reporters, and they're rarely experts on food and wine. Many are more comfortable gathering and passing on information than passing judgment on the worthiness of an asparagus risotto.

Indeed, many critics approach restaurant reviews as they would a typical news assignment. That may not be such a bad thing considering the diversity of foods being menued now. They call chefs about ingredients, they find people familiar with certain foods to dine with them, and they read books and articles about unusual foods they review.

"I'm much more at ease as a reporter," says the Baltimore *Evening Sun's* Maushard. "Sometimes I'm at a loss as to whether a certain dish is made the way it should be."

Levey was a reporter and editor his entire career when "at a mid-life transition" he accepted The Boston *Globe* editor's

offer to write restaurant reviews. "He came up with an offbeat idea and I was willing to give it a try," says Levey.

At the Pittsburgh Press, Kline's day job is working as a copy editor on the paper's features desk. At the Kansas City Star, where she used to work, she was the book editor. She's a journalism major who spent many years studying another artistic medium: classical ballet.

Bill Patrick, the restaurant reviewer for the Mississippi Clarion-Ledger, does have a food background—in the military. His editor, Orley Hood, is bothered by his reviewer's low-brow culinary favorites—all-you-can-eat roast beef buffets. But he reasons the newspaper serves a wide range of readers. "We have to deal with that 95% wolfing down generic fish at Piccadilly's," says Hood.

Mistakes about the food preparation can't be avoided even among the best trained, but when amateurs are involved they can be downright embarrassing. Hood says it's not uncommon for reviewer Patrick to be perplexed as to whether a dish was cooked in butter or margarine.

Andre Soltner of Lutece in Manhattan recalls a reviewer who once called him to ask why his foie gras was so smooth. Soltner was ruffled. The foie gras was so smooth, he told the caller, because it was a *mousse of duckling*.

Even the critics at the major dailies come from the general reporting ranks at their papers or smaller publications. That even includes the Washington Post's Richman and the New York Times' Miller, who served time on a Connecticut magazine as a senior editor and writer. Miller did, however, study abroad and apprentice at a restaurant.

When did restaurant reviewing in newspapers evolve into soft-sell journalism?

Some source the beginnings to the emergence of regional and city magazines in the early 1980s. The dining-out department played a major role in these magazines, and in most cases they still do. In addition to reviews, they contain extensive restaurant listings.

Restaurant advertising is an important revenue producer for the magazines. And bad reviews are often against house policy.

"About 40% of my magazine's ads come from restaurants," says one magazine reviewer. "My publisher isn't looking for that to change. Our policy, which I happen to disagree with, is, 'If you don't have something nice to say, don't say anything at all.'"

The reviewer claims to have been called on the carpet when a major advertiser's newest restaurant received a lower rating than it had hoped for. "They pulled their ads when one of their restaurants only got three stars," says the reviewer. "Believe me, three stars (four stars is the magazine's top rating) was more than generous."

In recent years, Zagat Survey restaurant guides added more competition to the informational, service format. Zagat reviews, published in dozens of books and sold at bookstores nationally, are culled from exhaustive written surveys done by frequent diners.

No newspaper has been able to duplicate the extensive service listings of the magazines or Zagat, but they are doing what they can to keep up with the service trends that these publications set. In turn, they are often rewarded with restaurant advertising at a time when advertising revenues overall have been drifting downward.

According to Bob Coen, director of forecasting for McCann-Erickson, newspaper advertising has for several years been losing market share to other mediums such as television, especially cable. Total newspaper advertising dollars were down 5.3% in 1991 over the previous year, according to Coen. Revenues from local ads were down even more, 6%. He says entertainment-oriented newspaper advertising, however, has fared better than other retail-ads, mainly department stores. Restaurant reviews are usually placed in entertainment and arts sections of newspapers.

Why bite the hand that feeds you?

According to one restaurant consultant, who believes reviewers have



★ BRYAN MILLER ★
THE NEW YORK TIMES

become too kind, "goring restaurants means diminishing returns."

"If you anchor a column, people go to the page when they want to eat out. It creates a marketplace. It's called affinity advertising," says Stephen Isaacs, associate dean for academic affairs at the Columbia School of Journalism, and former editor of the *Minneapolis Star*.

The moderation in reviews seems to correspond also to newspapers' toned down approach to overall coverage. One reason is economics. As dailies folded, many cities have become one-newspaper towns. The tone softened when the competition that drove hard-hitting copy ended. At the same time, pressure was on to increase advertising at a time when revenues were drying up.

"Newspapers are not so heavy handed in a lot of areas," says John Cornyn, a restaurant management consultant in Portland, Ore., who has sponsored newspaper advertising surveys. "Obviously, newspapers have been smarting. A lot are going down the tubes because they don't have the advertising."

The issue of softening approaches to newspaper journalism recently prompted the American Society of Newspaper Editors to initiate a study on how news coverage of advertisers is being watered down. The organization also wants to help editors and reporters at major daily newspapers better protect themselves against the influence of advertisers.

Besides being good business, restaurant reviews are among the most popular, most well read sections of newspapers. "It's a lot more immediate and interesting to readers than news from Nairobi," says Isaacs. "From a purely economic point of view, it's money better spent than money on a foreign bureau in Nairobi."

Newspaper publishers apparently agree. While some foreign and regional bureaus have been closed or downsized, newspaper coverage of restaurants has expanded enormously at major dailies. Besides the featured reviews, there are shorter takes on new openings and closings, new chefs and menus, and accounts of

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As if not-too-critical reviews weren't enough, here's another reason to have fond feelings toward local reviewers: They spend money in your restaurants, sometimes lots of it.

Most reviewers go to a place they plan to review at least twice, but often it's three or more times. And they bring anywhere from two to six people with them so they can sample different dishes.

Since they're on expense accounts, compliments of their newspapers, there's no scrimping on the appetizers and desserts either.

Just how much do these people spend in restaurants they scrutinize? Take a gander at a few.



Bryan Miller
New York Times

\$120,000

Ruth Reichl/Charles Perry
L.A. Times

\$52,000

Phyllis Richman
Washington Post

\$40,000

Phil Vettel
Chicago Tribune

\$30,000

Bob Levey
Boston Globe

\$25,000

Jonathan Susskind
Seattle Post-Intelligencer

\$16,000

Patricia Unterman
San Francisco Chronicle

\$12,000

Mary Maushard
Baltimore Evening Sun

Betsy Kline
Pittsburgh Press

suburban eateries as well. The *San Francisco Chronicle* expanded its reviews from two to three times a week and added a new half page of dining coverage on Fridays.

Similarly, separate reviews on inexpensive restaurants are becoming more frequent as fine-dining has dropped off. Some examples: the *New York Times*' "\$25 And Under" and the *Chicago Tribune*'s "Cheap Eats," which describes places offering meals for \$10 or less. The *L.A. Times*' "First Impressions" in Friday's Calendar gives a

rundown on new and trendy spots that may or may not get full reviews down the road. The paper's "Counter Intelligence" column in Thursday's food section describes unusual ethnic restaurants around the city.

Newspapers are also broadening their restaurant coverage geographically. Since taking on the job of food editor in 1990 at the *L.A. Times*, Reichl added restaurant reviews in Orange County, San Diego, Ventura County, and the San Fernando Valley editions. The *New York Times* has for some time run reviews of suburban restaurants in regional editions.

All this runs up the expense account. But newspapers are looking the other way. Critics at most major papers say their expense accounts for eating out have not been cut back or even ques-

"I'd caution you away from the oysters, clam chowder, house salad, Crazy Harry's Cobb Salad, and the ribs. But that still leaves plenty of pleasant, inexpensive grazing [at Rayz Riverside Cafe]."

—BOB LEVEY
THE BOSTON GLOBE

tioned in times when cost-cutting measures have been widely implemented in other departments. (At smaller dailies, however, the number of reviews and freelance budgets have sometimes been cut back).

"The paper has been very committed to keeping our budget where it was prior to the recession," says the San Francisco *Chronicle's* Bauer. He notes every department—but not his—has been told to watch expenses closely. "They realize [restaurants are] a very important and popular area."

The copy is service driven. When the *Chronicle* recently wrote about restaurants under \$10 for a recessionary dining section, bad ones simply weren't included—why would they be? Likewise for an Easter brunch section some newspapers ran, including the *Washington Post*.

Reviewers can even be your friends. One journalist commented with raised eyebrows that Ruth Reichl was spotted hobnobbing with Wolfgang Puck. Chef-owner Mark Miller says Phyllis Richman "takes an interest in supporting better chefs and restaurants. She's not out to win points with the readership by being antagonistic."

One reviewer—Patricia Unterman of the San Francisco *Chronicle*—is even a restaurant operator herself. She owns the Hayes Street Grill and three pizzerias. Can she be fair? She says she can, and that being an operator gives her insights. And, no doubt, sympathies.

Elin Jeffords says she quit her job as restaurant critic for the *Arizona Republic* in Phoenix last year because she was empathizing too much with her subjects. "My sympathies were going to the restaurateurs and how hard they work," she says. She now has her own restaurant consulting firm.

The consumer-guide approach to reviewing is much different than the reviewing style practiced in Europe and even in this country during the early days of American reviewing in the 1960s and 1970s when Claiborne, followed by Mimi Sheraton, set an authoritative and vociferous tone, respectively, writing for the *New York Times*.

When Sheraton gave *Lutece* only three stars in 1977, the chef reportedly told writer David Shaw, now with the *L.A. Times*, he was "emotionally destroyed for two or three months. I couldn't create a new dish that whole time."

In the '70s, newspapers around the country realized reviews could add excitement to weekend sections and scrambled to find critics to write them. And they meant for critics to be critical. "Editors

who didn't know zilch ordered reviewers to take the starch out of fancy restaurants," says John Mariani, author of *America Eats Out* and dining out columnist for *Esquire*. Dining "undercover" went with the terrain.

Not so in Europe. Says the *Chicago Tribune's* Rice: "In Europe, the best-known food journalists are known to the ownership. They write more about gastronomy, about the grandeur and glory of food. Here in the U.S. a critic sneaks around and checks whether the food is properly prepared and whether the bathrooms are clean."

This kind of reviewing may not sit well with the French, but this is not France, where restaurants generally go by the same (French) standards. The U.S. is becoming home to wide ranges of ethnic foods. Who can be an expert on all of them?

Even Claiborne admits he would be stumped by some of the cuisines that are in vogue these days, so what about Joe Reviewer?

L.A. Times "Counter Intelligence" reviewer Jonathan Gold recently wrote about the Liberian restaurant *Kukatonor* and its mashed cassava root specialty, *fufu*. He also opined on *egusi*, a dish of spinach stewed with chiles and the ground seeds of a West African melon.

How would he know what *fufu* or a West African melon should taste like? Indeed, he wouldn't, but as his editor Reichl explains, "He reads about it. Sometimes we call consulates of countries. We find as many sources as we can."

Gold's research seemed to have failed him on the *egusi*, however. He said it tasted "the way you always wished vegetables tasted when you were a child."

These are not picky eaters with axes to grind. The *Seattle Post-Intelligencer's* Susskind describes himself as "a guy who eats out a lot." The son of a rabbi and a journalism major in college, he says he likes his food "honest" and his waitstaff to be "observant."

Commenting about what he wanted restaurants to do this year, he wrote: "Honest, I am really not so fussy. Serve me hot food hot and cold food cold."



★ BILL RICE ★
THE CHICAGO TRIBUNE

"Although it's reheated
turkey roll rather
than fresh turkey, there's
plenty of it on a thick slice
of white bread with a big
scoop of mashed potatoes
[at the Emerald Diner]."

—JONATHAN SUSSKIND
SEATTLE POST-INTELLIGENCER



★ RUTH REICHL ★
LOS ANGELES TIMES



STEAK

MARKET SEGMENT REPORT

In the face of obstacles nutritional and financial, the nation's steak restaurants are plodding along in relatively good health. Few reported significant sales declines in universally troublesome 1991, and most began 1992 with strong showings. Upscale dinnerhouses continue to attract business execs on expense accounts by offering prime cuts of meat they claim are not even available in supermarkets. Those operators who have been hurt by declining traffic are expanding menus to include lower-priced entrees.

At the low end, budget steakhouses fit into the '90s quest for value by offering all-you-can-eat food bars with a price tag below \$6. Many have gone further, expanding their food bars with in-house bakeries.

Midprice steak chains seek to fill a void that segment executives say has been untapped for years. Operators find that decent steaks served in casual atmospheres with checks in the high teens are the concept worth betting on. After a few successful years of operation, midprice chains like Longhorn, Lone Star, and Outback have gone public or are in the process of doing so, and growth is rapid.

Even the most successful steakhouse operators concede that Americans eat less red meat than they used to. But when consumers eat in restaurants, they go for meat and potatoes—often enough, at least, to keep these operators in business. "I don't expect people to be in here once a week," admits Terrance Brennan, co-owner of Steak Frites. "But they can come once every three weeks. That's the goal."

One factor that may be helping steakhouses is media reports on food contamination. "Today, you can't pick up a paper without reading something about how harmful a food is," notes Gary Zambon, president of Sirloin Stockade International, which has seen red meat sales rise for two years. "Chicken is dirty; seafood is contaminated. It gets so there's no one good thing safe to eat, so you might as well have a little of everything."

The steakhouse solution
continued on page 156

Nutritional concerns

have not hurt

segment profits.

By Rona Feldman

Stuart Anderson's
150-seat units
feature high-backed
booths, oak
furnishings, and
Western
memorabilia.





STEAK

MARKET SEGMENT REPORT

Budget players fight competition with food bars and in-house bakeries.

has been to offer seafood, poultry, and pasta to broaden appeal and forestall a veto vote from a non-red meat eater in a party of diners. "Red meat? Oh, yeah, it's dropped off," says Frank Carney of Western Sizzlin'. "Five or 10 years ago we wouldn't have had chicken or fish or a food bar on the menu. Today, these take care of that alternative eater."

Most customers visit steakhouses because, when they do want steak, they want good cuts prepared the way they like them. "We get customers because we serve red meat," claims David Stockman, vice president of operations for Lawry's The Prime Rib.

Perhaps the best proof of America's

love affair with steak is the opening of new specialty houses in trend-conscious New York City. Chef Brennan opened Steak Frites in March, serving only aged Black Angus rib-eye and a fish of the day. For \$22.50, customers tell the server if they want steak or fish, and receive a salad and their entree. Freshly prepared fries are served, and desserts include French specialties such as soufflés. A more extensive bistro menu is offered at lunch.

Brennan's Americana-steak-with-a-French-twist concept comes on the heels of La Cité, billed as "A Parisian Steakhouse." La Cité was opened two years ago by the New York Restaurant

Group, which also owns steakhouses Smith & Wollensky and the Post House, as well as the seafood-oriented Manhattan Ocean Club.

Despite its positioning, La Cité features an extensive menu. In addition to \$20 servings of sliced steak, sirloin prime, filet au poivre, prime rib, and chateaubriand, its menu offers veal and lamb chops, chicken dishes, cassoulet, lobster cakes, and more. Fully 50% of dinner orders are for steak dishes. The dining area is decorated with an elegant art deco theme.

Executives at the Chart House chain are careful to market their menus as including seafood and chicken, but steak is at the heart of this business, with 60% of sales from red meat.

Chart House's 91 restaurants are upscale establishments in locations sporting spectacular views of mountains, sea, or city. Each adapts a tropical decor to fit the local market. Restaurants range from 3,200 to 16,000 sq. ft., and annual sales vary just as much—from \$600,000 to \$6 million. Systemwide, the chain brought in \$165 million in 1991—the same figure the Solana Beach, Calif.-based chain reported in 1990, and it has added a couple of restaurants since then.

Feeling the pinch, Chart House began testing an expanded menu featuring lower-priced entrees. In a Salt Lake City, Utah, test unit, diners can still spend \$20 for prime rib, or they can opt for a \$9 sirloin steak sandwich or Santa Fe chicken salad. According to director of marketing communications Mike Plant, early results show that adding lower-priced entrees hasn't significantly affected check averages. "Some people are opting for the new items, but then they're buying an extra drink, or having an appetizer or dessert," he reports.

Aiming to attract another market, the company is starting a new concept called Mango's, which will dress up steak and seafood entrees with a Polynesian flair. Island prime rib with wasabi cream sauce and tropical grilled sirloin with Asian noodles may be typical entrees. Checks will average \$16.

continued on page 160



Morton's is a classic upscale steakhouse. Checks average \$50.



STEAK

MARKET SEGMENT REPORT

Mango's will be about 6,000 sq. ft., seat 200, and generate \$2 million a year, Plant predicts. He says two may open by year's end.

Tight-lipped Metromedia Steakhouse, Inc., is under new leadership as ousted president Michael Jenkins was replaced in March by corporate insider Michael S. Kaufman. Metromedia operates the Ponderosa and Bonanza steakhouse chains, both family concepts featuring counter service and food bars. Ponderosa has 780 restaurants, 382 company-owned, and Bonanza has 483 units, all but two franchised. Last year, franchisees of 70 Bonanza units converted their operations to Ponderosa.

Both chains expanded their menus over the past few months. Ponderosa added three steaks of higher quality than any offered by the chain before: USDA Choice filet mignon, New York strip, and porterhouse. Three lobster dinners are now on the menu as well. In April, Ponderosa's Grand Buffet food bar was expanded to include The Mexican Bar El Grande, featuring mini chimichangas, tamale pie, and make-your-own burritos. In May, barbecued ribs and chicken were added to the menu.

While Ponderosa's focus has been on offering something for every taste and budget, Bonanza's menu emphasis has been on lightening selections. The chain recently added five broiled chicken breast entrees: teriyaki, honey Dijon, Mexicali (salsa and cheese), garden (cheese sauce and broccoli), and Monterey Supreme (marinated with Monterey Jack cheese, diced onions, tomatoes, and bacon strips).

Metromedia, which reported systemwide sales of \$1.2 billion in 1991, will not reveal growth plans.

Aiming to fight declining sales, Stuart Anderson's Black Angus/Cattle Company of Los Altos, Calif., has two menu additions. The upscale chain's 89

restaurants now offer lower-priced "Double Barrel" dinners and health-oriented "Sizzling Skillets."

Double Barrel dinners, available Monday through Thursday, encourage weekday traffic by offering what director of marketing and advertising Sue Ritchie calls "exceptional discounts" on entrees. A 14-oz. T-bone steak, for example, is priced at \$9.99, and chicken is \$6.99. While T-bone steak isn't regularly on Stuart Anderson's menu, the low-cost entree will bring dinner check averages below the standard \$13.

Sizzling Skillet dinners are served on 500°F. skillets. Sizzling chicken, sirloin (9 oz.) and teriyaki shrimp dinners, priced from \$8.99 to \$12.99, have been selling strongly, Ritchie reports.

Despite the hoopla surrounding these new menu items, a majority of customers still visit Stuart Anderson's for its signature prime rib, which sells to 20% of guests. Other beef entrees, such as top sirloin, teriyaki steak, and porterhouse, raise the percentage of beef sales still further.

Stuart Anderson's serves its meals in

what Ritchie describes as an "adult" atmosphere, with tables surrounded by 6-ft. booths, oak furnishings, and Western memorabilia. Restaurants seat approximately 150, and unit sales averaged \$3 million last year. Systemwide sales dropped from \$250 million in 1990 to \$230 million in 1991, despite the opening of three new restaurants. "The economy has had an effect on us," Ritchie explains. "The average check is declining a little because customers aren't ordering a second drink, or they're going out to dinner one less time each month," she observes.

But Stuart Anderson's has been pleased with the results of its "Best of the West" campaign, a comical, music-driven TV and radio campaign that debuted last year. Ritchie says traffic this January hit record numbers.

Another three Stuart Anderson's restaurants are scheduled to debut this year. Like the others they will be owned and operated by the company, and will be located in Western and Mountain States. The Stuart Anderson chain is owned by the American Restaurant Group, which also owns Spectrum Restaurants, Spoons, Grandy's, and Velvet Turtle.

Lawry's The Prime Rib serves nothing but prime rib in its three multi-million dollar restaurants. Waiters wheel

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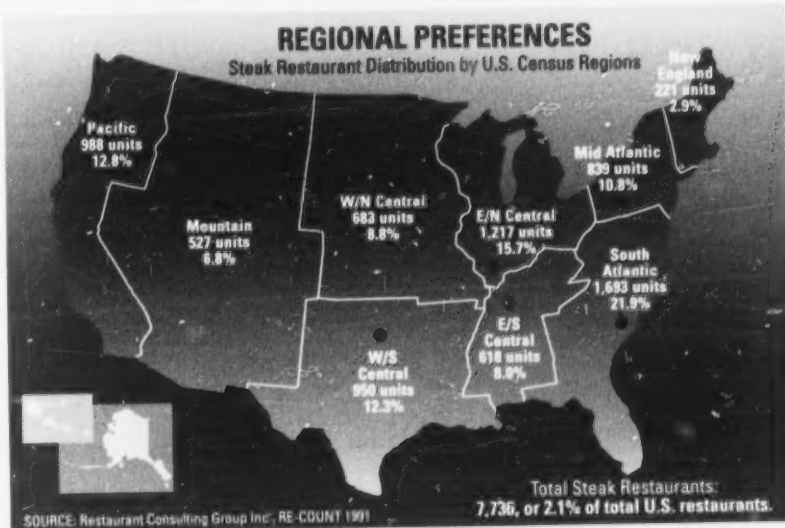


CHART BY SHAR FAYNG

The upscale Chart House chain reports

60% of sales come from red meat.



STEAK

MARKET SEGMENT REPORT

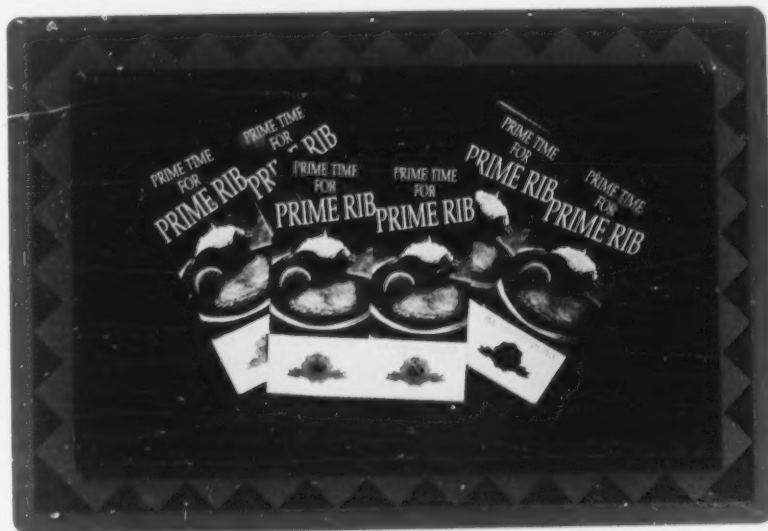
art deco carts from table to table, carving servings of the single menu item to order, then dishing out accompaniments such as mashed potatoes, peas, and creamed spinach and corn.

While the menu and service style remain the same, Los Angeles-based Lawry's will soon give its Beverly Hills customers a much enhanced atmosphere. By the end of this year, 54-year-old Lawry's will open a new \$8.5 million building on its original site, across the street from the current restaurant, which opened in the early '50s. The new restaurant will seat 425 instead of the current 300 and will include private dining rooms and underground parking facilities.

Although the exterior will be modern, the new Lawry's interior will sport the same Old English feel as its predecessor. High-back leather chairs will replicate the formal, masculine feel.

Although the dinner menu remains unchanged, lunch menus in the Chicago Lawry's have been altered. Following a \$1 million renovation, in April this restaurant introduced an Ale and Sandwich Bar during lunch. In a classic-looking room with wooden floors and tables, diners walk to a wood-paneled, copper-topped bar for one of four sandwich meats hand-carved to order. Corned beef, roast beef, turkey, and pastrami are typical selections. Side dishes such as sauerkraut, pickles, and cole slaw are self-serve.

Chicagoans interested in a more traditional luncheon service can order from a new pub-style menu in the main dining room. Noting that this "quicker" menu is "more in keeping with today's demands than the fairly formal luncheon menu we used to serve in the main dining room," vice president of preparations David Stockman points to salads and sandwiches as contemporary selections. Prime rib, which has always accounted for 50% of lunch sales, is still available.



Western Sizzlin raised average unit volumes to \$964,000.

All three Lawry's restaurants held their own financially in 1991 despite an early-year drop-off during the start of the Persian Gulf war. The Beverly Hills restaurant grossed \$7 million; the Chicago unit, \$6 million; and the Dallas store, \$3 million. All three are owned by Lawry's Restaurants, Inc., a 70-year-old, family-run business that also includes the Five Crowns Restaurant in Corona del Mar, Calif., and the Tam O' Shanter Inn in Los Angeles.

The Ruth's Chris Steak House chain, New Orleans, La., had a good year, posting record systemwide sales of \$68 million, up from \$60 million in 1990. Featuring classic steak menus in upscale restaurants—each decorated differently—Ruth's Chris average unit sales is \$2.4 million. Prime New York strip, filets, and porterhouse steaks dominate the menu.

Ruth's Chris has 31 restaurants, 18 of those franchised, located across the country. This year, "The Home

of Serious Steak" will expand to Baltimore, Md., and Minneapolis, Minn., as well as to Cancun—the chain's first international unit. A master franchise agreement for Mexico was signed this winter. President Ruth Fertel hopes to see existing franchisees open more units in the future.

Although its menu and decor remain conservative, growth at Chicago-based Morton's has gotten aggressive. After adding one unit at a time for many years since its 1978 inception, this upscale steakhouse chain opened five new units last year for a total of 17, and plans to see another three to five by year-end '92. Morton's growth push began in 1989 after the chain was purchased by the Quantum Restaurant Group, which also owns Atlanta's Peasant Restaurants.

The five 1991 openings brought Morton's to Columbus and Cincinnati, Ohio; San Antonio, Texas; Palm Beach, Fla.; and Minneapolis. The first opening scheduled for this year will be in Beverly Hills, Calif. All Morton's are located in office complexes or upscale shopping centers; none are freestanding. Each restaurant has 125 seats.

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**The 54-year-old Lawry's will open an
\$8.5 million building on its original site.**



STEAK

MARKET SEGMENT REPORT

Morton's is a classic steakhouse. Dark mahoganies play against cream stucco walls and butter-colored upholstered booths to create a look that is somewhat dark. Brightly tiled open kitchens add a lively touch. The signature 24-oz. porterhouse dinner is \$27.95, and checks average \$50 per person. Portions are generous, at least 14 oz. of meat, served with 1-lb. baked potatoes and beefsteak tomatoes.

Beef still accounts for 85% of Morton's sales, but other menu items have been added over the years. Popular are broiled bacon-wrapped sea scallops with apricot chutney, swordfish, and whole Maine lobsters.

The midscale steakhouse business is booming—as exemplified by Outback Steakhouse. Only four years old, this Tampa, Fla.-based chain serves heartily spiced beef and complementary dishes to customers in 50 locations. Half of those restaurants opened in 1991, and another 30 are slated for this calendar year. Restaurants are owned by the company, franchisees, and in some cases, joint ventures.

Outback Steakhouse is an American-style steak-and-potatoes restaurant with Australian decor, notes chief financial officer Bob Merritt. Diners pay \$10.95 for an Outback Special Sirloin, served with salad and potatoes or veg-

The Ruth's Chris Steak House chain

posted record 1991 sales of \$68 million.

etable; the menu also features pasta, chicken, rib, seafood, and pork dishes. Checks average \$16.

The company went public in June 1991, and its stock has risen from \$10 a share to \$36. The average 195-seat restaurant generates sales of \$2.8 million a year, up from \$2.6 million last year. Systemwide, that adds up to \$91 million in 1991, nearly triple 1990's \$34.5 million figure. Current restaurants are in Florida, Georgia, Kentucky, Indiana, Washington, D.C., and Texas. New units are scheduled for Michigan, Pennsylvania, New Jersey, Tennessee, Alabama, and Louisiana.

Following a successful 10-year run, Longhorn Steaks Restaurant & Saloon is bent on even more rapid expansion, fueled by a stock offering. Contemporary Restaurant Concepts, Ltd. (CRC), parent of the Atlanta-based casual steakhouse chain as well as three Skeeter's Mesquite Grills, is in the process of an initial public offering geared at raising \$14.5 million through the sale of 1.25 million common shares, to be traded on NASDAQ. Top executives will offer another 450,000 shares.

CRC, which plans to add restaurants to its 30-unit base and repay debt, made its decision after a profitable year. CRC earned \$1.5 million in 1991, up from \$292,000 in 1990. Seventeen of the chain's stores are company-owned, nine are franchised, and four are joint ventures. Another 11 to 14 restaurants are slated to open this year.

In the Longhorn concept, stuffed animal heads, sports memorabilia, and photos of the Old West create the atmosphere in 120-seat, 4,500-sq.-ft. spaces. Nearly all customers order one of seven steak entrees, such as the "Longhorn steak," which is seared and topped with lemon-butter sauce. Prices range from \$5.95 to \$17.95, and checks average \$7.95 at lunch, \$16.50 at dinner.

A year after quietly adding marinated salmon to the menu, Longhorn has begun promoting it in an aggressive campaign. Potential diners see "Longhorn Salmon," complete with horns on billboards. Newspaper and radio ads complement the campaign. Salmon sales have risen considerably since the campaign's February kick-off.

continued on page 172



Sirloin Stockade aims to open eight to 10 new units of its lighter, brighter prototype in 1992.

Wild Blueberries Are Jazzing Up New Orleans.



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For information circle number 11

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STEAK

MARKET SEGMENT REPORT

and management reports seeing "new faces" in response to the campaign.

Value-oriented Golden Corral reported increased same-store sales in 1991, with its extensive Golden Choice Buffet luring budget-minded visitors on a regular basis. "I like to think, knock wood, that our concept is recession-proof," says Stephen Fortlouis, director of marketing for the Raleigh, N.C.-based chain. "Regardless of the economic situation, you can eat well for \$5, and that's one hell of a value."

Noting that Golden Corral's restaurants are predominantly in the Southeast—not the West and Northeast, which were harder hit by the troubled economy—Fortlouis points to specific options as value-oriented. Fully 60% of customers in Golden Corral's newer, 10,000-sq.-ft., 440-seat restaurants order only the \$4.99 food bar. Nearly 40% of customers in the chain's smaller, 5,000-sq.-ft., 190-seat units order it exclusively.

The Golden Choice Buffet features an assortment of fried chicken, mashed potatoes, steamed vegetables, salad, fresh fruit, ice cream, toppings, baked potatoes with stuffings, and soups. "The Sound of Freshness" rings every 15 minutes at the supplementary Brass Bell Bakery, where hot cookies, muffins, rolls, and brownies are taken from the oven regularly.

Many of those who order entrees with their salad bar opt for beef, although chicken and seafood options

are available. A new marinated sirloin captured 8% of sales during its introduction last December. Golden Corral is now rolling out grilled Alaskan white fish, grilled shrimp scampi, and a fried seafood platter.

Golden Corral is moving away from being an exclusively company-owned chain. Although the number of units has remained steady at 450, the company has sold 43 stores to franchisees over the past year and plans to continue selling restaurants and selling new franchises in the future. The chain expects to have a total of 20 new units by year's end. Systemwide sales in 1991 were \$500 million.

In the midst of a turnaround under the guidance of Pizza Hut founder Frank Carney, Dallas-based Western Sizzlin is fine-tuning everything from food bars to marketing. Along the way, this family steakhouse chain has lost several units—but raised average unit volumes from \$750,000 a couple of years ago to \$964,000 today.

Chairman/CEO Carney inherited a disjointed chain of fairly independent franchised restaurants. A year ago, the chain had 435 restaurants; today, it has 373, all but two of them franchised. About a dozen units opened last year, contributing to systemwide sales of \$400 million, still significantly lower than 1990's \$445 million.

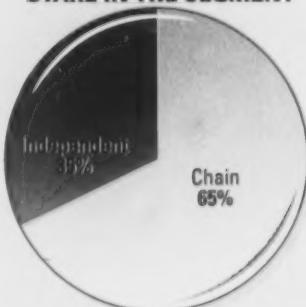
About 60% of Western Sizzlin's customers order one of 35 entrees, with 80% of that figure choosing from a dozen steak selections. The remaining 40% indulge in the food bar, which is merely an expanded salad bar in some locations and a hot food emporium in others. This year, the chain's food bars will be standardized further and given a name. Customers pay an average of \$5.60 for a meal at Western Sizzlin.

To build excitement and prepare for the future, Western Sizzlin has begun expanding internationally, with plans for foreign units to comprise 25% of the company's total in five years. Canada, Australia, and Saudi Arabia are new markets, and Japan now has three stores.

Marketing efforts have helped raise same-store sales significantly. Carney

continued on page 174

CHAINS HAVE THE BIGGEST STAKE IN THE SEGMENT



Total Steak Restaurants: 7,736

SOURCE: Restaurant Consulting Group Inc., RE-COUNT 1991

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For information circle number 68



STEAK

MARKET SEGMENT REPORT

credits a \$2.99 lunch program with much of the restaurants' sales boosts, and special programs for children and seniors aim to contribute, too.

Claremont, N.C.-based Western Steer Family Steak House has found exceptional success with its new in-house bakeries. Customer counts have risen 50% in units featuring a "Western Steer Steaks Buffet Bakery," which provides a selection of rolls, muffins, cinnamon buns, and more. The company plans to add the bakery to one of its 167 restaurants every week.

Remodeled units will also gain dual ordering lines, new menu boards, lower ceilings over buffet bars, baked potato bars, scaled-down menus, children's menus with no item priced over \$1.99, and reduced prices on most entrees.

Western Steer's restaurants, 97 of which are franchised, are located primarily in the Southeast. Unit volumes fell slightly last year, from \$929,972 in 1990 to \$927,704 in 1991. Systemwide sales during the same period dropped from \$193.4 million to \$123.6 million, in part due to the closing of several unprofitable units.

The chain plans to step up growth this year, expecting to open 12 new restaurants, four times more than it opened in 1991. Some will be a prototype designed for the end cap of strip shopping malls; traditionally, Western Steers have been freestanding.

Hutchinson, Kan.-based Sirloin Stockade International is stepping up growth, aiming to open from eight to 10 family steakhouses in 1992, at least double the number the chain added last year. Sirloin Stockade restaurants are located in the Oil Belt, the Midwest, and Mexico.

Currently 78 units strong, with all but six of those stores franchised, Sirloin Stockade's growth vehicle will be a larger, brighter unit. The prototype, according to president Gary Zambon, will add a Southwestern touch to the chain's traditional Western decor. Light woods and Southwestern patterns in bright colors will decorate the 400-seat dining rooms. Older units have 225 or 325 seats.

continued on page 176

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For information circle number 69



STEAK

MARKET SEGMENT REPORT

In addition to expanding Sirloin Stockade's all-you-can-eat "Smorgasbar," the prototype will include a new bakery that was tested in the three newest units. The bakery provides scratch-baked yeast rolls, muffins, cookies, brownies, and cobbles, as well as bake-off cinnamon rolls.

The Smorgasbar, which accounts for 50% of sales, is a 60-item buffet featuring salad, chicken wings, broccoli, macaroni & cheese, lasagna, meatloaf, and pasta. Carved meats and seafood are available on the weekends. Smorgasbar lunches sell for \$5, dinners for \$6.

The remaining half of Sirloin Stockade's customers order entrees such as the signature aged, hand-cut beef, which sells for \$3.99 to \$8.99. Checks average \$5.50. Systemwide sales for the privately held company will top \$80 million in 1992. Zambon projects. Both average unit volumes and system sales rose last year.

A smaller, more efficient prototype will help Ryan's Family Steak Houses grow aggressively this year. The Greer, S.C.-based chain has cut construction costs by \$350,000 per unit, mostly by consolidating the back of the house, and therefore will put its resources toward opening 23 new restaurants in 1992; 16 were opened in 1991.

All new Ryan's will feature Bakery Bars in the dining rooms. Cookies, croissants, and yeast rolls are baked in customers' view. Bakery Bars will supplement existing MegaBars, and will be included in the price of regular entrees such as grilled steak, salmon, or pork chops. This fall, Ryan's also began offering a broiled catch of the day. Entrees run about \$4.99 and account for 48% of sales. The remaining customers help themselves to Ryan's \$4.79 MegaBar, heaping salads, fried chicken, casseroles, and mashed potatoes onto their plates. Checks average \$5.40.

With 350 to 400 seats situated in bright, blue-and-mauve, traditional din-

ing rooms, Ryan's restaurants grossed an average of \$2.2 million in 1991, down from \$2.3 million a year earlier. The addition of bakeries in some stores helped gain sales in the second half of 1991, fighting the effects of the recession, notes a spokesperson. Still, with 16 new restaurants, systemwide sales rose last year to \$355 million from \$331 million the year before.

After a long slowdown to regroup, train managers, and test new products, Quincy's Family Steakhouse is on the expansion trail again. This 216-unit budget steakhouse chain built four new restaurants in 1991 and plans to open another 14 in 1992. New Quincy's are larger than older units, with up to 348 seats versus the smaller 250.

Owned by Spartanburg, S.C.-based TW Services, which also runs Canteen, Hardee's, Denny's, and El Pollo Loco, Quincy's couples its growth with menu expansion and marketing programs. Light eaters can now choose Quincy's grilled trout entree. Priced at \$4.29, the 6-oz. trout is served with rice, baked potato, or fries. Cajun and lemon-pepper seasonings are offered.

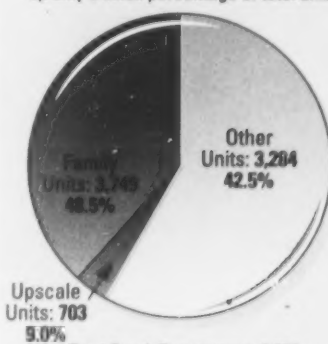
Quincy's is aggressively targeting weekend breakfast business with its new Country Sideboard all-you-can-eat breakfast bar. A twice-a-week conversion of Quincy's Country Sideboard food bar, the breakfast bar features over 50 items. The breakfast bar costs \$4.29 for adults, \$1.99 for children.

Looking to bring in more customers for lunch, Quincy's has introduced a Nine-Minute Guarantee program during midday. Diners who don't receive their lunch within nine minutes of ordering don't have to pay. Nine-Minute customers order from a nine-item menu, which features a \$3.99 Blue Plate including one of five meats, vegetables, and a beverage; chopped steak; country-style steak; chicken strips; catfish fillet; grilled chicken; and sirloin.

As always, Quincy's dinner cus-

MIDSCALE MAINSTAY

Moderately priced family steakhouses dominate this segment. High-end joints make up only a small percentage of total units.



SOURCE: Restaurant Consulting Group Inc., RE-COUNT 1991

tomers can order a traditional entree or help themselves to the Country Sideboard buffet, which offers a variety of foods ranging from salad to spaghetti to meatloaf. Checks average \$5.38. Unit volumes have remained steady at an average of \$1.3 million. Systemwide, sales rose slightly in the chain's company-owned restaurants, to \$283.29 million in 1991 from \$281.5 million a year earlier.

Omnivest International recently purchased the remnants of the Mr. Steak chain. A Denver court accepted the \$140,000 bid for rights to 56 franchise agreements and one company restaurant. The Mr. Steak chain has been in limbo since the company filed for bankruptcy in 1987. After boasting close to 300 units at its peak, most of the franchised restaurants have closed or left the system.

Franchisees blame Mr. Steak's parent Jamco Ltd. for the chain's demise. They say Jamco lost control when franchise laws loosened in the '80s, and individual operators gained too much independence. New owner Omnivest vows to invest in Mr. Steak.

All in all, despite troubled sales in some areas, steakhouse operators feel they're here to stay. "There's no question that people don't eat as much red meat as they used to," says Outback's Merritt. "But when they go out, beef is unwaveringly still king."

RB

Menus expanded with chicken and fish

may have blurred segment identity.

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JULY 1, 1992
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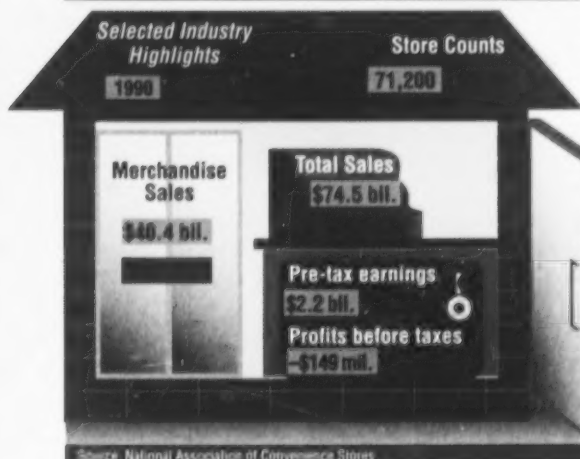
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BUSINESS BAROMETER



Americans Head For the Road This Summer

Summer vacation travel is expected to be up 4% this year, rebounding from last year's slump to a pre-Gulf War, pre-recession level. Auto travel will account for about 82% of all vacation trips.

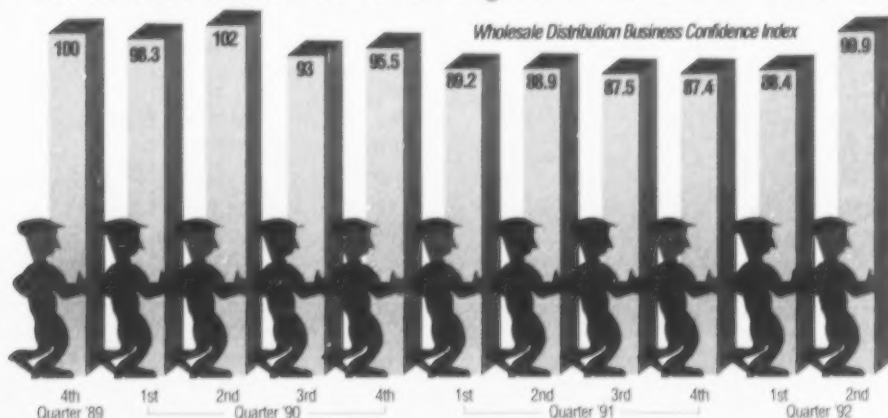


Convenience Stores Losing Steam

The convenience store industry showed signs of maturity last year. For the first time in recorded convenience-store history, the number of stores declined from the previous year.

Sales per store, however, were up. Gasoline sales posted bigger increases than merchandise.

Confidence Index Rises Among Wholesale Distributors



Confidence levels among wholesale distributors rose to the highest levels in about two years in the second quarter of 1992. However, many of the respondents noted that the survey compares early 1992 business conditions to early 1991 when the economy was deep in a recession.

Charts by Peter K. Niceberg

Source: National Association of Wholesaler-Distributors



COVER STORY: Minorities.
Abdullah Saaba and Mushin El-Amin,
proprietors of Garden of Bilal restaurant.

COVER STORY

REPORT MINORITIES. For minorities, small businesses are the traditional route to the American success story. Clearly African-Americans, Asian-Americans and Hispanics aren't getting a piece of the pie—for reasons ranging from the credit crunch to outright discrimination. Despite some efforts among the largest restaurant chains with relaxed financial requirements, low-cost loans, and highly touted promotional opportunities, minorities in the food trade still come nowhere near to reflecting their 25% share in the population at-large ...72

FEATURES

CARL'S JR. A QUESTION OF SUCCESSION. Now 75, Carl Karcher, CEO and chairman of the 632-unit hamburger chain, must decide who'll carry the family torch. Is it time to inject new blood into the family business? 52

CHALLENGE CHILDREN. Restaurants bend over backwards to accommodate children nowadays because if they don't

their parents are apt to eat someplace else. But family dining involves a lot more than crayons and booster seats. In fact, if adding kids to the fold isn't done carefully you could be asking for trouble; too many kids in a restaurant can drive adults away. The trick is achieving a delicate balance 60

MARKET SEGMENT REPORT SEAFOOD.

Recessionary pressures, supply problems, and increasing public concern over safety issues are creating a tough climate for seafood operators today. With consumers seeking value at all price levels with greater zeal, restaurants are more hard pressed than ever to make fish and seafood more affordable 129



Cover photograph by Bill Cramer

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FOOD AND BEVERAGE

MENU IDEAS NATIVE AMERICAN FOOD. Restaurant operators across the country have rediscovered the ingredients and dishes of Native Americans. Some offer historically correct traditional dishes, and others use American Indian ingredients and techniques in mainstream cooking. Either way, customers are intrigued 85

PRO'S PANTRY RICE. Few foodstuffs have blended into as many cultures and fed as many souls as rice. Few foods are as versatile, either. Chameleon-like, rice makes a satisfying stuffing, the perfect foil for a stir-fry, or a luscious dessert pudding 92

PIECE MEAL CROUTONS. Gone are the days when it was just a uniform cube of toasted bread made from yesterday's loaf. Instead, like many items in the breadbasket, the crouton has gone decidedly upscale 95

CHEF'S ART RICHARD CHAMBERLAIN. The executive chef at The Little Nell hotel and restaurant in Aspen, Colo., offers "American Alpine cooking" 100

DRAFTS, CARAFES & SPIRITS LOW/NO ALCOHOL. There's been a sea change in the perception of alcohol-free libations. The category is not limited to beer, wine, and mocktails, but includes mineral waters, premium root beers, natural juices, and bitters 151

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INDUSTRY REPORTS AVAILABLE

Reprints of the 1991 **RESTAURANT GROWTH INDEX** and 1992 **FRANCHISING REPORT** are available for \$7 per copy. Direct inquiries to Editor Scott Allmendinger, *RB*, 633 Third Ave., New York, NY 10017.

IN THE NEXT ISSUE

MAJOR FEATURE TOP 50. Once again *RB* offers its exclusive report on the 50 fastest-growing chains. This year's report offers statistical rankings and data including percent change in average unit volumes, a new feature. The top 50 this year consists of 14 quick-service chains, 9 midscale chains, and 27 upscale/casual chains. Chains are defined as operations with five or more units.

MARKET SEGMENT REPORT C-STORES/DELIS. Emerging from a difficult few years, the convenience store industry remains troubled. The largest convenience store chain, 7-Eleven, is in the midst of restructuring management a year after coming out of bankruptcy protection with new owners. National Convenience Stores, parent of 7-Eleven competitor Stop & Go, is hoping to emerge from Chapter 11 itself by early next year, as are some smaller, regional players. Sales and profitability, however, were strong in 1991.

MENU IDEAS/TEST KITCHEN BREAKFAST/BRUNCH. This feature covers breakfast economics—the creative use of leftovers. For example, operators can turn yesterday's cinnamon buns and muffins into today's breakfast bread pudding.



TEST KITCHEN:
Native American, p. 85.

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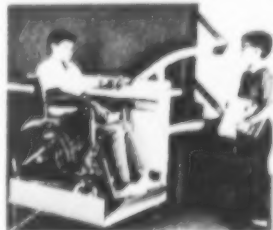
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RESTAURANT BUSINESS/JULY 1, 1992

SEAFOOD

MARKET SEGMENT REPORT

Recessary pressures, supply problems, and increasing public concern over safety issues are creating a tough climate for seafood operators today. Just a few years ago, a veritable ocean of publicity surrounding seafood extolled its health benefits. Restaurant openings accelerated, more inland operators began featuring fish and seafood, and American per capita consumption soared, rising 25% over 10 years. With many consumers apprehensive about handling seafood at home, the foodservice industry enjoyed a large share of that growth.

Today, the tide has turned somewhat. Media coverage has become increasingly negative, focusing on safety issues like bacterial contamination and fishing in polluted waters. Alarmist articles such as one published by *Consumer Reports* in February have stirred concern and possibly dampened some consumers' enthusiasm for fish.

Economics are also playing a role. Seafood is expensive, compared to other protein sources. The increased demand in recent years coupled with dwindling supplies of many popular species have only made it more so.

Seafood operators have long learned to cope with higher food cost percentages than other restaurants. With the recession motivating consumers to seek value with greater zeal, restaurants are harder pressed than ever to make seafood more affordable.

"People are very price-oriented. That puts limits on what we can do," says Steve LaHaie, managing partner in Lettuce Entertain You Enterprises' two Chicago seafood operations, Shaw's Crab House and Shaw's Blue Crab.

"Sourcing fish is still the most difficult challenge," adds Bob Taft, chief operating officer of Skippers, Inc., a fast-food chain based in Bellevue, Wash. "That will continue, so we need to learn how to do a better job with a limited catch."

Aquaculture continues to promise more dependable, stable priced supplies of many species. However, even enormous progress made in this field in the last few years has not substantially altered the fact that seafood is still primarily hunted, not raised. Of 550 million pounds of shrimp imported into the U.S. last year, for example, 40% to 50% was farm-raised, points out David Harvey, an agricultural economist with the U.S. Department of Agriculture. However, all farm-raised species still account

continued on page 130

**The segment turns
with the tide of
supply and demand.**

By Carol Casper

Targeting kids.
Arthur Treacher's is
reintroducing its
Classic Cruiser Fun
Meals, which
debuted last summer.



SEAFOOD

MARKET SEGMENT REPORT

for only 10% to 12% of total seafood consumed by Americans, Harvey says. He does not expect that figure to rise above 15% by the end of the decade.

Per capita consumption of seafood lagged slightly in 1990, totalling 15.5 lb. per person compared to 15.9 lb. in 1989, according to the latest figures available from the National Fisheries Institute, Washington, D.C. NFI predicts per capita consumption will continue to rise sharply, to 20 lb. by the year 2000.

"We don't feel there is any less excitement about seafood than there was a few years ago," comments Mike Morehead, vice president, marketing, for Rusty Pelican Restaurants, Inc., San Juan Capistrano, Calif. "It's just that now there is a greater knowledge level among the public, so people don't ask as many questions. There isn't as much talk about seafood, but people have gotten into the habit of eating it."

Jeffrey Senior, a partner in Restaurant Concepts, Inc., Boston, which will soon open its third Skipjack's seafood restaurant, adds that since peo-

ple have become more accustomed to eating seafood, many have also grown more comfortable preparing it at home.

The consensus among restaurateurs is that they have to work harder today to market seafood and keep it affordable. One strategy has been to utilize less familiar species as alternatives to higher-priced favorites like swordfish and dwindling North Atlantic groundfish species like haddock and cod.

The quickservice chains, in particular, have had to revamp their sourcing strategies and wear themselves away from reliance on expensive North Atlantic fish in order to remain competitive in the fast-food arena.

The renewed strength of giant fast feeder Long John Silver's is due in part to its successful grappling with this problem in the last couple of years, by incorporating species like pollock and hoki into its menu and developing a worldwide sourcing network.

"The supply problem is no less volatile than it was several years ago. But our ability to control and contract

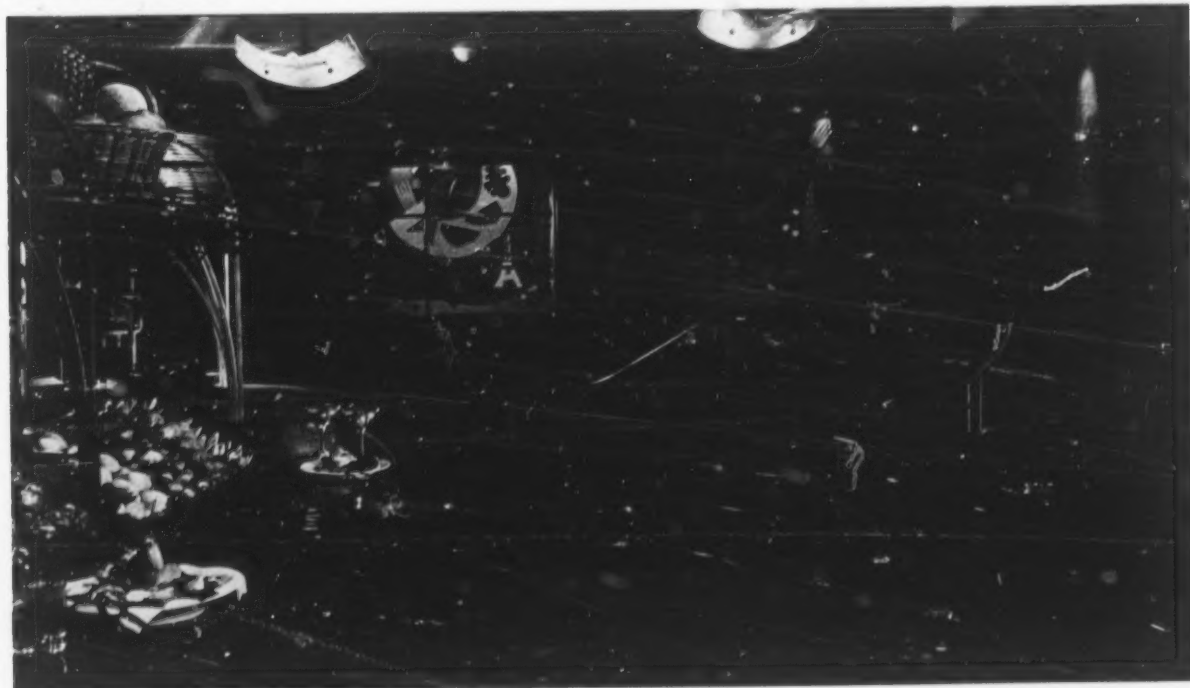
for long-term resources has been strengthened," says Bob Brauff, LJS vice president, franchise development.

In midscale and more expensive seafood houses, the problem is more complicated than substituting one anonymous white fish species for another. Individual operators have had some success persuading patrons to try fish with unfamiliar names like tilapia, escolar, and kajiki, but none of these newcomers so far promise to make a dent in the popularity of old favorites like salmon, swordfish, and cod.

"We see our customers becoming a bit more adventurous," says Dick Monroe, vice president, public relations, for segment leader Red Lobster, "but there haven't been any major changes in ordering patterns."

Statistics from NFI support this observation. They show that the 10 most popular species still accounted for roughly 75% of all U.S. seafood consumption in 1990, but that figure was lower than their share in '89.

continued on page 135



The Tony Water Grill in downtown Los Angeles has a high check average.

SEAFOOD

MARKET SEGMENT REPORT

On the other hand, to help trim operating costs, some seafood houses are reducing the number of fresh fish varieties featured on their menus.

"We pay very close attention to quality, but have eliminated quantity," reports Jim Schumacher, owner of Seagull Street in Albuquerque, N.M. "We now offer about 10 varieties of fresh fish daily instead of 15 to 20, and concentrate on wowing customers with presentation, rather than sheer variety. We realized we weren't accomplishing anything by flying in four pounds of something special and throwing away three pounds. I do it only when I know I can personally merchandise it."

Another tactic more seafood operators will enlist to improve affordability is to reduce portion sizes and to fill up the plate with interesting side dishes.

"When we first opened, we featured just a great big piece of fish on a plate," LaHaie says. "Now we're moving toward giving less protein, and offering more exciting combinations of vegetables, greens, pastas, and fruits to go along with the fish."

Despite the challenges, traffic in the segment kept pace with the rest of the industry in 1991, up 1.1%, compared to a 1.0% gain for all restaurants.

"We had a successful year, but it hasn't been easy," says Monroe of General Mills' Red Lobster. "We certainly can tell there is a recession, but despite that, we wound up our fiscal year with several record highs, including sales and number of openings in one year." The Orlando, Fla.-based giant opened 50 units in the last 12 months for a total of 550 in 47 states. It racked up system-wide sales in fiscal '91

Many restaurants are reducing the number of daily fish specials.

of \$1.4 billion. Average annual unit volumes held steady at \$3 million.

Red Lobster plans to open another 50 units over the next 12 months, continuing its bi-coastal emphasis and filling in many smaller markets.

Monroe attributes much of the chain's success to its continued emphasis on value. "However, value may not always mean low price points," he says. "When we can find lower-priced options, we feature them. But we also look for good value in other ways. For example, we've been able to market Alaska king crab legs in a big way. At \$10-\$12 that is not a low-priced offering, but customers can't find the same dish at other places for twice that."

He adds that concern over seafood safety has actually helped enhance Red Lobster's position due to its reputation as a seafood expert. "We've seen other restaurants' seafood business go straight South when there's a seafood scare, while ours actually peaks, because customers know Red Lobster as a name they can trust. They know we can guarantee safety because all our seafood is USDA inspected."

The chain's daily fresh catch offerings, which fall at the upper end of its price spectrum, continue to grow as a portion of sales. Its "create a combination" option for lunch and "create your own platter" dinner offerings give customers an opportunity to be a little more adventurous.

The nation's second largest seafood chain, Long John Silver's Seafood Shoppes, Lexington, Ky., appears to be moving forward again with some confidence after several years more or less adrift. This spring the chain's year-to-date sales were running 6% ahead of its last fiscal. In the first few months of '92, figures were up even more sharply, showing gains of 10% to 15%. Customer counts were up 4.2% over last year, says vice president of marketing services Brian Dixon. Systemwide sales reached approximately \$830 million.

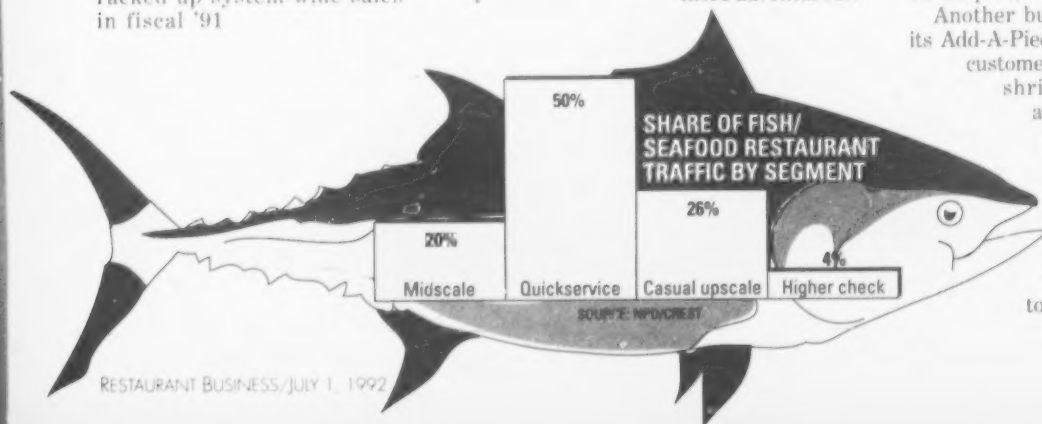
Long John Silver's managed these increases despite the fact that it weeded out about 40 underperforming units in the last year. It currently operates a total of 1,448 stores, including 988 company-owned and 460 franchised.

Dixon attributes the chain's improved performance to value-oriented initiatives and refurbishing of its concept. "For a long time we had looked at Long John Silver's as almost a midscale concept. Over the last two years, we've reevaluated and polished our positioning as 'the fish fast-food folks'."

As part of this effort, the company is adding drive-thrus. "We've added about 150 over the last 12 months. We had about 200 to 250 before, but those had been built more as an accommodation to franchisees rather than as a strategy on our part," Dixon points out.

Another business-builder has been its Add-A-Piece program, which allows customers to add a piece of fried shrimp, chicken, or fish to any order for just 35¢, 65¢, or 75¢. This has helped boost check averages and allowed the chain to streamline its menu. "We've reduced the number of platters, while enabling customers to enjoy more variety," says

continued on page 138



CHARTS BY SHARI FANG

SEAFOOD

MARKET SEGMENT REPORT



Shaw's Crab House and Shaw's Blue Crab are LEYE units.

Bruce Cotton, senior vice president, public affairs.

The chain has also been promoting Special Value Meals that combine fried fish, chicken, or shrimp with fries, or baked fish with rice, for \$1.99. It continues to test a variety of baked fish products.

With its concept now firmly defined, and improved performance generating interest, Long John Silver's is stepping up expansion efforts. It is also pursuing a new growth avenue, contract feeding.

In the U.S., the company expects to open about 50 franchised sites in the next 12 months and to accelerate growth after that. Internationally, the chain is targeting development in four main areas: Southeast Asia, the Middle East, Mexico, and Canada. The company recently signed its first agreement with a contract feeder.

Another fast food-fish company on the upswing after tough times is Arthur Treacher's, Inc., Youngstown, Ohio. A new master franchise program launched last year—its first major push since '84—helped the chain grow to 122 units from 102 over the last 12 months. The company expects to have at least

shrimp to any entree or family-pack, at value prices. Since the initiative was launched in early March, the average check has risen about 8%.

The chain continues to promote a broiled cod loin product. Its first non-seafood entree, a baked chicken tested last year, has been pulled temporarily. The latest promotion focuses on Dippin' Chicken with a choice of four salsas.

For summer, the chain is featuring Treacher's Trim Trio—light salads made with shrimp, chicken, or tuna. It will also reintroduce a Classic Cruisers kids' meal which debuted last summer.

The third largest seafood chain, Shoney's, Inc.'s Captain D's, has concentrated on expanding its menu with a new broiled program. The Captain's Grille menu is now available in all but 80 of the Nashville, Tenn.-based chain's 638 stores. In new stores it accounts for about 20% of sales, according to vice president of marketing Gregg Kaplan.

Captain D's broiled selections include cod, shrimp, and chicken served on a bed of rice, with side salad, bread stick, and choice of vegetable. The menu is supplemented by promotions

150 stores open by year's end, says director of marketing Amy Plowden.

With just a dozen new units running by December '91, she adds, Treacher's managed to boost sales to \$39 million systemwide, from \$30 million in 1990.

Like Long John Silver's, Arthur Treacher's recently introduced an add-on program that allows customers to add extra pieces of fish, chicken, or

like salmon and tuna. Captain D's offers cheese sticks and crab cakes systemwide.

The company's comparable store sales declined 1.3% in '91, despite a menu price increase of 2%. It hopes to counteract this trend in '92 by continuing to promote its broiler program, improve value perception through more competitive pricing, and by increasing drive-thru traffic.

In the Northwest, Skipper's has taken a different approach to upgrading. "Instead of following the path of Captain D's, putting broilers in all our restaurants, we said, let's look at the whole experience of the customer, and develop a brand new concept that appeals to our fish and chip patrons, as well as those looking for something a bit more upscale," explains chief operating officer Taft. "Our reasoning was, with our raw product costs going up 40% in the last year, we couldn't pass on increases to customers without bringing in line all the other elements in the value equation as well, including atmosphere, service, and quality."

This led to the company's evolution recently of a new growth vehicle, Skipper's Flame Broiled Seafood and Chowder House. In contrast to its older stores, the "Broiler" units are closer to full-service dinner houses, but offer better prices, Taft says. Customers still order at the counter from a menu board, but then sit down and are helped at their table by a server who continues to check back throughout the meal. The new Broiler units also feature separate take-out counters and, wherever possible, drive-thru windows.

In addition to fried and baked seafood, the new concept features broiled chicken and steaks, plus several broiled seafood choices and specialties like Cajun cod and baby Cajun shrimp. New snacks include zucchini and cheese sticks and onion rings.

Skipper's also offers Seasonal Catch promotions, such as salmon and scallops as the market permits. The Broiler units have also tested pasta dinners.

Nearly 40 of Skipper's 198 stores
continued on page 140

**Overfished species have grown costly;
unfamiliar fish are being substituted.**

SEAFOOD

MARKET SEGMENT REPORT

now reflect the new concept, and it will concentrate on the Broiler as its main expansion vehicle. Skipper's will add about 20 stores over the next 12 months and expand at a rate of 10% a year.

Another fast-food fish chain with a difference is Dock's, operated by Fishy Things, Inc., Willowbrook, Ill. The company's expansion slowed last year due to the recession, but sales rebounded strongly in early '92, and it hopes to pick up the pace of new store development over the next year.

Dock's caters primarily to African-American customers with units located mainly in inner city neighborhoods in Chicago, Cleveland, and Milwaukee. The company recently signed a development agreement for several stores in Detroit, according to chairman Denny Robertson, and expects the first unit to open there by mid-September.

Six of its 19 units are franchised. The company has been trying to boost franchise development in the last two years, but is now also considering some joint development projects. This is partly due to difficulties its mostly minority franchisees and prospects have encountered trying to secure financing.

Dock's does close to 95% of its business in take-out, although it has been adding seats to newer units. The stores average \$600,000 annual sales with a menu that features fish sandwiches, fried fish and shrimp dinners, fish nuggets, chicken wings, and side dishes including gumbo, bean pie, and salads.

Among the midscale operators that managed to buck the drop in traffic counts is Weathervane Seafood Restaurants & Markets, Kittery, Maine. Although its check averages dropped slightly in '91, from \$9.80 to \$9.62, volume increased, bringing sales for the 15-unit Northeastern chain to \$30 million.

Director of marketing Susan Paquette attributes much of its success to the fact that the company "main-

tained great prices" even as it expanded and slightly upscaled its menu. "We've seen an increase in the number of businesspeople coming in for lunch. With expense accounts pulled back, we think more people are choosing us over higher priced seafood restaurants."

The company has launched a flurry of expansion projects, adding more indoor dining space and outdoor patios to about half a dozen of its locations, including its Kittery flagship. Consecutive additions of 90 seats this past spring and 250 more planned for next year will bring this unit's capacity to 800, Paquette says.

At press time, Weathervane was also finalizing negotiations on a landmark site in Danvers, Mass. If the deal goes through, the new unit could help raise the company's profile by allowing it to boost advertising in the Boston market. The chain is also testing a combination ice cream and seafood operation in Salem, N.H.

Another midscale group holding its own is Shells in Tampa, Fla., which operates 26 units concentrated in the Southeast. While the recession delayed growth plans for a year, the company expects to begin moving forward again by the end of '92 on an expansion strategy that will take it to 50 units by the middle of the decade, according to vice president Chip Roehl.

Checks average \$10.50 to \$11 for dinner. The company began testing lunch; nine units now open at midday. Shells is evaluating extended hours at other locations. At lunch it offers a whole different menu featuring lighter, less expensive meals and smaller portions, with checks averaging under \$6.

Various types of fresh fish grilled



Shells emphasizes high value at competitive prices.

with an herb marinade, and a shrimp and pasta dish, are Shells' most popular dinner entrees, Roehl adds.

While seafood chain activity is concentrated in the fast-food and midscale categories, one chain to watch in the upscale sector is L&N Seafoods, operated by Morrison, Inc., Mobile, Ala.

Over the last three years L&N, founded in 1982 at the World's Fair in Knoxville, Tenn., has nearly doubled in size from 20 to 39 locations. Still concentrated primarily in the Southeast, the chain also has units in upstate New York, Pennsylvania, Texas, and Nebraska. It plans to expand in selected markets in the eastern U.S.

L&N emphasizes fresh seafood flown in daily to each of its restaurants. It specializes in a wide variety of mesquite-grilled fresh fish. The menu also includes baked, broiled, fried, and sautéed seafood such as Cajun platters, barbecued and baked stuffed shrimp, steamed lobster and Alaska snow crab legs, broiled sea scallops, and seafood pasta combinations. It also offers grilled seafood salads and sandwiches, plus alternatives like grilled chicken and filet mignon. A recent addition is a new oyster bar menu featuring "naturally purified oysters."

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Per capita consumption of seafood

was 15.5 lb. in 1990, down from 1989.

SEAFOOD

MARKET SEGMENT REPORT

"We've been moving toward offering more specials created in each restaurant to appeal to regional tastes," says Michael Pass, director of marketing. While some operators are trimming back, L&N will continue to feature about a dozen fresh fish species daily.

Rusty Pelican, another upmarket chain with 27 units—some under other names—is moving in somewhat the opposite direction, cutting back on the number of items it offers. It began revamping its menu two years ago, notes vice president, marketing, Morehead, to provide lower price points for the upscale market. The firm recently took the project one step further with a new all-day menu developed for its newest unit, which opened in Woodland Hills, Calif., in March.

"Prices range from just \$5 to \$13.95—very moderate—yet it still features a variety of fresh fish as well as seafood pasta dishes, plus a little more emphasis on beef and chicken than in our other restaurants," Morehead says. In the others, which still offer separate lunch and dinner menus, midday meals range from \$5 to \$11 while dinner entrees run from \$9 to \$17.50.

Rusty Pelican offers both regular and light cut portions of its fresh fish, and highlights creative proprietary preparations like Ahi Chinese Pesto—tuna charbroiled with a soy-cilantro-

ginger marinade, and Shark Firepot, charbroiled in a fiery sesame seed marinade. It has boosted its selections of entree salads and sandwiches, which include items like grilled fish tacos and blackened shark torta.

"Some seafood carries such a high cost today that we can't offer it at affordable levels," Morehead says. "Also what happens as supplies dwindle is that quality can suffer, so we will have to look at some alternatives, including more non-seafood dishes. We don't want to compromise quality just to feature additional seafood items."

McCormick & Schmick Management Group, Portland, Ore., is another West Coast seafood specialist that has been tinkering with its menus to meet today's changing market. M&S operates about a dozen restaurants in the Pacific Northwest and California, including McCormick & Kuleto's, which opened last July in San Francisco. The 300-seat operation includes an adjoining Crab Cake Lounge with its own menu of casual food, including gourmet pizzas and skewered seafood available for walk-away as well as sit-down service. The main part of the restaurant serves a more traditional seafood house menu, says Bill King, M&S senior chef.

Throughout its operations, King

adds, M&S is experimenting with various menu mixes that offer different relative proportions of traditional seafood dishes and more contemporary recipes. The latter, King says, tend to be lighter presentations, incorporating lots of pastas, salsas, and vinaigrettes, and Pacific Rim, Mediterranean, and Southwestern influences. In some of its California operations, the mix slants toward 50% contemporary vs. traditional, while in other locations the proportion might be closer to 80% traditional.

Another West Coast company that sees potential for upscale-style seafood at midscale prices is University Restaurant Group, Long Beach, Calif. URG already operates two successful seafood operations, the moderately upscale Ocean Avenue in Santa Monica, and the expensive Water Grill which opened last year in Los Angeles.

"We're developing another seafood operation now with price points that will fall at \$12.50 to \$13 at lunch for the overall check, and under \$20 at dinner," says president Sam King. "We hope to make it an expansion vehicle."

"Even at those prices," he points out,
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L&N Seafoods flies fish in daily to its restaurants. An oyster bar is a recent innovation.





SEAFOOD

MARKET SEGMENT REPORT

"because product costs are so high, we'll incorporate a lot of pasta, as well as a pizza oven, to help us balance out our food costs."

Legal Sea Foods, the highly successful eight-unit, Allston, Mass.-based, family-owned chain, has also been diversifying its menus in recent years to include more pasta-based dishes and other creative seafood preparations, although traditional broiled and baked New England seafood still makes up the core of its business.

"We're still very much featuring our health line menu," adds Roger Berkowitz. To increase variety and spark some excitement, the restaurants will also introduce a Spanish menu this year through an exchange program with chefs from Barcelona, Spain.

Particularly in its suburban restaurants, Legal Sea Foods now offers some package dinners that combine appetizers and entrees for prices substantially below its normally high price levels. Several locations also offer a Super Value Menu on Sunday afternoons.

"We're definitely finding that price-sensitivity is more of an issue these days. However, customers seem more tolerant of high prices as long as the quality is there," says Berkowitz. "I think in a recessionary economy, people tend to differentiate between quality and non-quality dining experiences."

While most Massachusetts restaurants are still suffering from the limp economy, Legal's business stayed even

Sourcing quality seafood at a reasonable cost is the greatest challenge.

last year, and this year so far is up a couple of points. One new area the company has targeted to help maintain sales is catering business meetings and other private parties.

Legal Sea Foods expects to launch its first location outside Massachusetts this autumn, and also plans to open two more sites in Massachusetts within the next two years.

Skipjack's, another Boston area seafood operator, will open its third location in Cambridge, Mass., this fall. The company launched its first restaurant in Brookline, Mass., in 1988, followed by a second Skipjack's Seafood Emporium in downtown Boston two years later. It recently completed a total revision of its original Brookline operation, including a revamped menu and new interior design.

Described as a repositioning for the '90s, the new Skipjack's Fish House features larger portions, lower prices, and a smaller variety of species but a wider range of preparation styles. Included are selections like snapper Yucatan, topped with jalapeno chutney.

The new decor shifts the atmosphere from a rather staid dinner house to a more casual, fun, art deco environment, to complement the new menu. The food and ambience at its third Skipjack's, partner Senior adds, will fall somewhere in between the new Fish House and its more expensive and formal Seafood Emporium in Boston.

LEYE's Shaw's Crab House in Chicago and its suburban spin-off, Shaw's Blue Crab, continue to emphasize seafood-oriented events to promote their operations. "We held our Fourth Annual Smelt Fry Trip this spring, which grew from two to four busloads this year," says LaHaie. The restaurants will also hold a Crayfish Party in August, in addition to the now traditional November Oyster Fest.

"We're currently redoing our menu," LaHaie adds, "to make it more of a marketing tool. We'll do a better job

describing our specialty fish dishes and what comes with them, so the menu will look and sound more value-oriented." The new menu will include a statement about precautions taken in handling fish to reassure customers.

LaHaie is also heading up a Seafood Task Force for LEYE, developing a seafood safety program. This effort is in part a proactive response to the possibility of a federally-enforced seafood inspection program.

A number of seafood operators would welcome such an inspection program—not so much because it would make their supplies safer, since they are already safe, but because it might reassure customers who have doubts about seafood safety.

On the other hand, King points out, the additional costs of conforming to new regulations could also lead to a shake-out of smaller suppliers, and further price increases.

Some operators say difficulties with handling seafood have already led to some decrease in seafood marketing by non-seafood restaurants, a trend which could also be furthered by new regulation. This retreat is certainly not in evidence across the board, however.

Bob Spivak, a partner in The Grill, an expensive Beverly Hills restaurant, and four more moderately priced Daily Grills in greater Los Angeles, says that despite the challenges of supply, fish and seafood will continue to play a larger role on its menus.

"Seafood represents 35% of our entree sales today, compared to somewhere in the twenties five years ago. We think that percentage will continue to grow." However, he says, "health-conscious eating may still be primarily a phenomenon of the big, sophisticated cities." Just 50 miles south of Los Angeles, for example, the company's Newport Beach operation sells more meat and less fish than its other restaurants, Spivak observes.

SWIMMING UPSCALE

Percent change 1990-1991 in fish/seafood restaurant traffic

	Lunch	Dinner	Total
Quickservice	0.4	5.1	2.7
Midscale	6.3	-9.1	-4.7
Upscale	18.5	-2.6	2.6
Casual	23.1	0	6.1
Higher check	-8.4	-14.3	-13.0
Total	0.7%	1.4%	1.1%

SOURCE: NPJ/CREST Annual Household Report, 1991

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WHAT NOW?

Subways are everywhere, but
Fred DeLuca's flock wonders
where they go from here

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Cover photograph by Susan Greenwood

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SPECIAL REPORT INDIES FIGHT BACK. Independent restaurateurs are forming buying cooperatives to help them compete against those operators with more buying clout than themselves—namely the chain gang.

MARKET SEGMENT REPORT FAMILY. The segment is enjoying renewed health, especially in chain unit growth. And just like the rest of the industry, they're all featuring special value menus that either offer smaller portions or complete meals at a reduced price.

TEST KITCHEN CONVENIENCE FOODS. This article demonstrates how operators can use convenience products as the components to create signature dishes. For example, a unique hand-held item like a turkey calzone can be made with frozen cut vegetables, soup base, frozen pizza dough, and pre-cooked turkey.

DRAFTS, CARAFES THE CASUAL WINE LIST. There's a new ethic in wine lists today. Kitchy, casual, and moderately priced, these easy drinking vintages quench patron thirsts and keep customers coming back for more.



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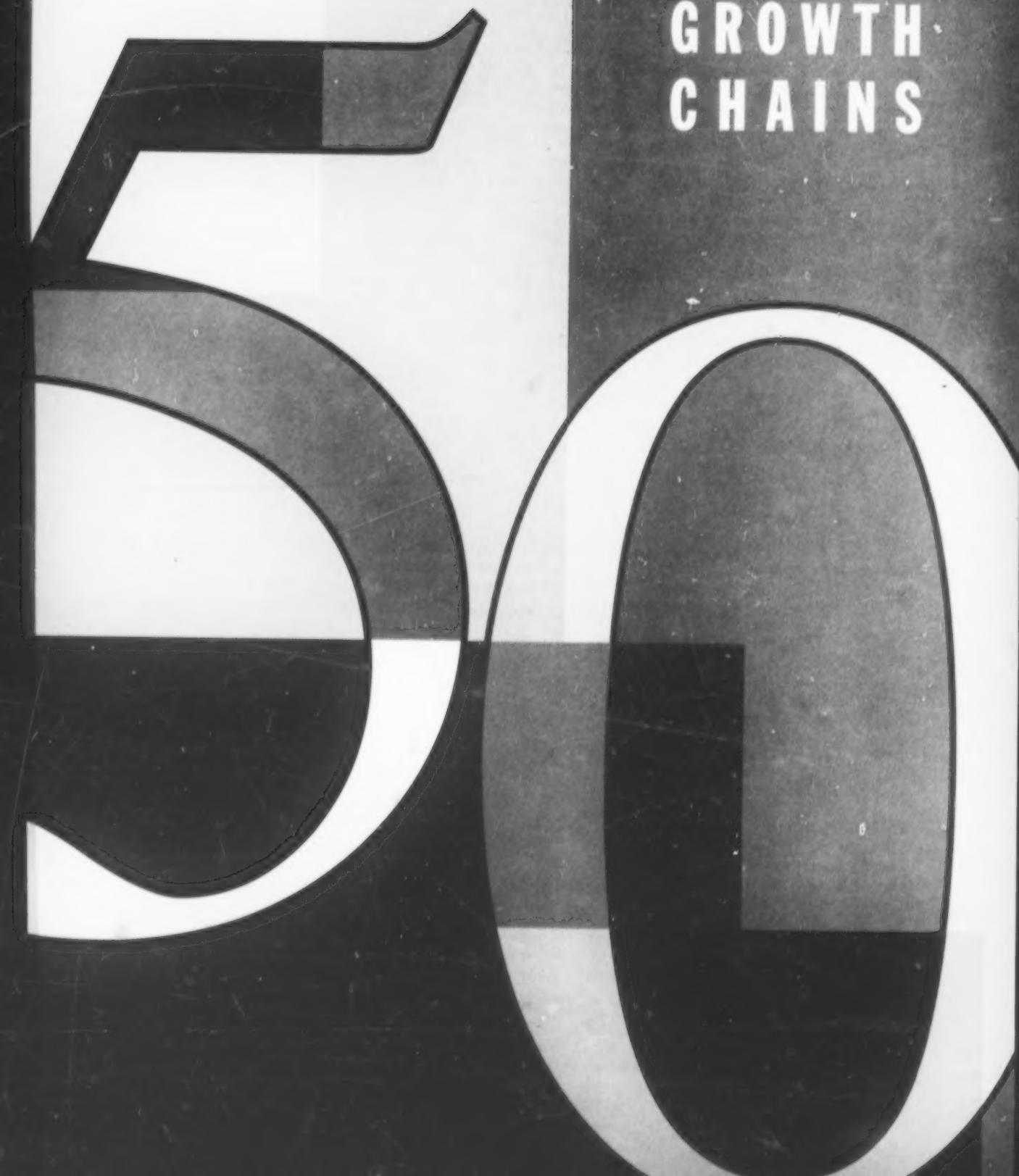
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RESTAURANT BUSINESS/JULY 20, 1992

***RB's* TOP 50
GROWTH
CHAINS**



R

ecession domi-

nated the concerns of most restaurants in 1991, but for the 50 fastest-growing restaurant chains in America, it was a word that rarely crossed their lips. Though total separate eating places eked out a 5% nominal sales increase in 1991, the Top 50 as a group achieved a 27.4% gain over 1990.

The secret to their success cannot be pinpointed to one simple formula. Indeed, the top growth chains are a diverse group when it comes to food and format: double drive-thrus, midscale Italian, upscale pizza, skinless chicken, down-home American, low- and high-brow steak, even Japanese noodles. The ties that bind them, simple as they may sound, are value, oftentimes convenience, and a range of choices.

"I see variety coming through loud and clear," says Ron Paul, president of Technomic Inc., which tabulates *RB's* annual Top 50 growth list. "There isn't

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TOP 50 GROWTH CHAINS

Ranked by percentage gains in sales

Rank	Chain, Headquarters	Sales	% Sales Change 1990-91
1	Outback Steakhouse, Tampa, Fla.		174.0%
2	Pudgie's Famous Chicken, Woodbury, N.Y.		145.5%
3	Checkers Drive-In, Clearwater, Fla.		94.0%
4	Hot 'N Now, Kalamazoo, Mich.		51.6%
5	Miami Subs, Fort Lauderdale, Fla.		48.7%
6	Hooters, Clearwater, Fla.		46.7%
7	Yoshinoya Beef Bowl, Carson, Calif.		43.9%
8	Taco Cabana, San Antonio, Texas		39.2%
9	Great Steak & Fry, Hamilton, Ohio		39.1%
10	T.K. Tripps/Rock Ole Cafe, Greensboro, N.C.		37.9%
11	Chevy's Mexican Restaurants, San Francisco, Calif.		37.2%
12	Old Country Buffet, Eden Prairie, Minn.		35.1%
13	Cracker Barrel, Lebanon, Tenn.		34.2%
14	Nathan's Famous, Westbury, N.Y.		30.8%
15	O'Charley's, Nashville, Tenn.		30.2%
16	Berlucci's Brick Oven Pizzerias, Woburn, Mass.		29.3%
17	Central Park, Chattanooga, Tenn.		29.1%
18	I Can't Believe It's Yogurt, Dallas, Texas		28.8%
19	California Pizza Kitchen, Los Angeles, Calif.		28.6%
20	Olive Garden, Orlando, Fla.		28.0%
21	Subway, Milford, Conn.		27.3%
22	Applebee's, Kansas City, Mo.		26.9%
23	Longhorn Steaks, Charlotte, N.C.		26.2%
24	Morton's of Chicago, Chicago, Ill.		25.0%
25	Chili's, Dallas, Texas		23.8%
26	Spaghetti Warehouse, Garland, Texas		23.3%
27	Little Caesar's, Detroit, Mich.		23.2%
28	Grady's American Grill, Dallas, Texas		22.4%
29	Red Robin, Irvine, Calif.		21.6%
30	Levy Restaurants, Chicago, Ill.		21.3%
31	Eat 'n Park, Pittsburgh, Pa.		21.0%
32	L & N Seafood, Mobile, Ala.		20.7%
33	Black-Eyed Pea/Dixie House, Dallas, Texas		20.5%
34	Max & Erma's Restaurants, Columbus, Ohio		20.0%
35	Spinneker's, Brentwood, Tenn.		20.0%
36	Pizzeria Uno, West Roxbury, Mass.		19.1%
37	Nelly's, Louisville, Ky.		19.0%
38	Cheesecake Factory, Redondo Beach, Calif.		18.8%
39	La Rosa's, Davenport, Iowa		18.4%
40	K & W Cafeterias, Winston-Salem, N.C.		17.5%
41	Old Spaghetti Factory, Portland, Ore.		17.4%
42	Jack's Hamburger, Birmingham, Ala.		17.1%
43	Cooker Bar & Grill, Columbus, Ohio		16.9%
44	Hard Rock Cafe, Los Angeles, Calif.		16.7%
45	Great American Cookie, Atlanta, Ga.		16.4%
46	American Cafe, Laurel, Md.		15.2%
47	K-Bob's Steak Houses, Albuquerque, N.M.		15.0%
48	Ruth's Chris Steak House, New Orleans, La.		14.8%
49	Acapulco, Long Beach, Calif.		14.6%
50	Huddle House, Decatur, Ga.		14.6%

* Technomic Estimate. ** Company Estimate.

Source: TECHNOMIC, INC.

BY MARILYN ALVA

U.S. System Sales (\$ 000)		% A.U.V. Change	Avg. Unit Volume (\$ 000)		U.S. System Units		% Unit Change	Unit Growth Rank
1991	1990	1990-91	1991	1990	1991	1990	1990-91	
93,400 *	34,084	0.7%	2,860	2,840	49	23	113.0%	1
98,200 **	40,000	0.0%	750	750	131	70	87.1%	3
70,000 *	36,083	9.5%	903 *	825	117	56	108.9%	2
52,000 *	34,300 *	0.0%	650 *	650 *	84	76	10.5%	35
49,000 *	32,951	-5.1%	835	880	79	49	61.2%	4
110,000 *	75,000	3.3%	1,860 *	1,800	71	50	42.0%	8
38,000	26,400	3.5%	745	720	51	44	15.9%	30
58,200	41,800	5.9%	1,800	1,700	42	29	44.8%	6
44,500 *	32,000	3.3%	465 *	450	105	87	20.7%	24
52,000 *	37,700 *	15.6%	2,080 *	1,800 *	25	24	4.2%	45
70,000 *	51,033	1.2%	2,600 *	2,569	32 *	24	33.3%	11
196,212	145,236	4.9%	2,040	1,944	114	94	21.3%	22
346,292	257,971	11.2%	3,247	2,920	117	97	20.6%	25
85,000	65,000	0.0%	1,000	1,000	74	54	37.0%	10
56,000	43,000	5.3%	2,000	1,900	36	31	16.1%	29
37,483	29,000	-2.7%	1,607	1,651	26	20	30.0%	12
43,000 *	33,300 *	3.3%	620 *	600	74	66	12.1%	34
85,000	65,990	7.1%	225 *	210	422	388	8.8%	38
45,000 *	35,000	2.0%	2,550 *	2,500	24	16	50.0%	5
706,745	551,985	2.1%	2,800	2,743	290	228	27.2%	14
1,400,000	1,100,000	7.7%	280	260	5,853	4,777	22.5%	18
289,600	228,200 **	-0.4%	1,675	1,682	191	160	19.4%	26
43,095	34,155	2.3%	1,982	1,938	29	23	26.1%	15
45,000 *	36,000 *	0.0%	3,000 *	3,000 *	17	12	41.7%	9
545,000 *	440,383	6.4%	2,320 *	2,180	260	223	16.6%	28
49,301	40,000	6.6%	2,593	2,433	20	14	42.9%	7
1,725,000	1,400,000	3.1%	505 *	490 *	3,650	3,173	15.0%	31
40,000 *	32,673	3.5%	3,665 *	3,540	14	11	27.3%	13
147,358	121,215	-1.5%	2,150	2,183	69	57	21.1%	23
97,000	80,000 **	8.3%	2,600 *	2,400 **	34 *	33	3.0%	48
96,800	80,000	15.9%	1,820	1,570 *	54	51	5.9%	43
77,000 *	63,800 *	0.0%	2,200 *	2,200	36	34	5.9%	42
149,665 *	124,172	-2.5%	1,530 *	1,570 *	98	80	22.5%	19
39,000	32,500 **	-2.5%	2,010	2,062	20	19	5.3%	44
36,000 *	30,000 **	0.0%	1,750 *	1,750	22	20	10.0%	37
140,769	118,169	-4.6%	1,538	1,613	96	85	12.9%	32
221,100	185,800	0.0%	870 *	870 *	333	297	12.1%	33
38,000 *	32,000 *	0.0%	8,000	8,000	5	4	25.0%	17
45,000 *	38,000	3.4%	900 *	870 *	54 *	49	10.2%	36
73,300	62,400	10.6%	2,875	2,600	26	24	8.3%	39
54,000	46,000	13.1%	2,000	1,769	27	26	3.8%	46
36,000 *	30,750 *	2.6%	800 *	780 *	50	41	22.0%	21
39,560	33,800	0.0%	3,200	3,200	15	12	25.0%	16
70,000 *	60,000 *	0.0%	7,000 *	7,000 *	11	9	22.2%	20
71,000 *	61,000 *	3.6%	228 *	220 *	330 *	280 *	17.9%	27
38,000 *	33,000 *	3.5%	2,380 *	2,300 **	16	15	6.7%	40
56,480	31,720 *	46.2%	760	520 *	48	61 *	-21.3%	50
70,000	61,000	6.4%	2,340	2,200	30	29	3.4%	47
83,161	72,539	1.3%	1,759	1,736	49	49	0.0%	49
74,500	65,000	-2.9%	364	375	207	195	6.2%	41

1 OUTBACK STEAKHOUSE

Founders Chris Sullivan (l.), Tim Gannon (c.) and Robert Basham give unit managers a stake in the company.

one thing or one ethnic food or one price point consumers are interested in." In fact, he says, "It's probably not what you do, but how well you do it."

Top 50 growth chains are ranked by percentage gains in U.S. systemwide sales. To be included, they must have systemwide sales in excess of \$35 million and at least five units. Percentage sales gains are usually biggest when companies are still small. Paul says that's because "the smaller, new players respond quicker" to consumer wishes.

It might also be because some of the fastest-growing restaurant chains are seeking greater control of their growth by coming up with innovative ways to build new stores. They're doing more joint ventures, developing new forms of franchising agreements, even deemphasizing franchise pacts altogether in favor of company owned restaurants.

But Outback became a public company last year, raising more than \$225 million in cash. "After we raised the money," Merritt says, "we stopped doing the 50/50 joint ventures in favor of a system in which we put up all the capital. The manager is still responsible for living in and developing the market."

Joint ventures, Merritt says, "enable us to attract managers who have 15 or so years of experience running multiple units in other companies. The caliber of manager we have been able to attract has been extraordinarily high, and that's been the key to our growth."

Wall Street seems to agree. Steve Rockwell, a restaurant analyst for Alex. Brown & Sons, Baltimore, believes Outback's growth prospects are substantial. "Their earnings have grown faster than my estimates and I believe they will sustain this growth," says Rockwell. The company has modest debt levels and a generous cash flow.

Company-owned units indeed play a key role in the Top 50. Checkers Drive-In, which has also raised capital through



PHOTOGRAPH BY BUD IEE

stores," says Checkers chairman Herbert Brown. "That's one reason we have done only a few joint ventures and plan to stick with the company store concept." The company is, after all, cash rich having raised more than \$70 million in stock offerings.

The majority of Checkers' 117 stores are prefabricated buildings placed on existing foundations. "The buildings are ready to open in 15 days. They save us as much as 20% in building costs," Brown says. Each building costs about \$438,000, excluding land.

C. Ronald Petty, CEO of Miami Subs, predicts his company will enter into several joint venture developments in the next year. Most of them will be 50/50 deals. Petty says the company's joint-venture activity reflects a need for good management talent rather than capital.

"From my standpoint, joint ventures give me better supervision of the restaurants. I have district managers overloaded with franchise restaurants they have to supervise. There's just too many layers of people involved."

Petty says Miami Sub's goal is to have 15% of its sys-

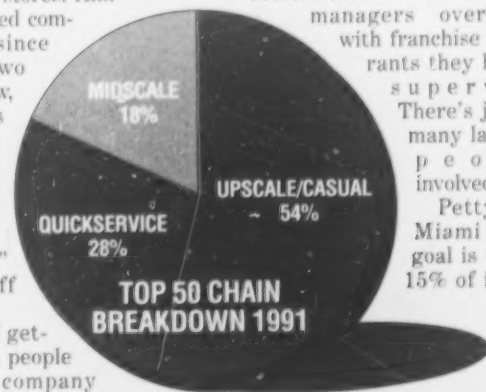


The move away from traditional franchise pacts has been spearheaded by Outback Steakhouse, RB's number-one growth chain. The 50-unit chain strikes joint venture agreements with unit managers, giving them a 10% equity partnership in the restaurants they manage. "We have discovered," says Outback's chief financial officer Bob Merritt, "that the best incentive for a manager to do his job the right way is a piece of the action."

"When we started the company, we went into 50/50 contracts because we had such a limited amount of capital," he says. "We put up half of the capital, the manager put up the other half and was responsible for the day-to-day management of the market."

recent stock offerings, is deemphasizing franchising and expanding its number of company-owned stores. And Hot 'N Now has stressed company-owned stores since PepsiCo acquired it two years ago. Hot 'N Now, an 84-unit chain, "is driven by the same company-owned growth philosophy that drives Taco Bell and most other PepsiCo subsidiaries," says spokesman Jeff Lightburn.

"We are capable of getting all the competent people we need to run our company



2 PUDGIE'S

George Sanders spent years refining the skinless chicken operation before franchising in 1989.



PHOTOGRAPH BY THOMAS R. KENNEDY FOR NEWSWEEK

tem operating under joint venture agreements in the next year. "Between company-owned stores, which will be about 35% of the system, and joint ventures, we will control half the system," he says.

The company's growth, Petty says, has come primarily from the conversion of other concepts. Four joint ventures with Rax involving conversions were completed in the last few months and Petty says he hopes to add about 90 units in the next year, bringing the chain total to 180 units. About 20 deals will be 50/50 joint ventures. Miami Subs has financed its recent growth with a \$15 million private placement.

Many Top 50 chains are young, barely five years old in some cases. Yet, the people behind them are mostly experi-

Being in the casual segment—with an Aussie theme as a marketing tool—didn't hurt. As foodservice consultant George Rice, chairman of GDR Enterprises Inc., says, "Casual dining remains the highest growth in the marketplace." Indeed, 27 of the Top 50 chains operate upscale/casual concepts.

Outback is clearly one of them. Its steak dinners start at \$10.95; the most expensive is \$16.95.

Those behind other chains in the top five are no slouches either. Checkers Drive-In president Jim Mattei, a former Wendy's franchisee, teamed up with Brown, a former drug store and furniture chain owner from Florida.

Another double-drive-thru in the top five, Hot 'N Now, has giant PepsiCo behind it. PepsiCo also recently put money behind California Pizza Kitchen, the 19th ranked growth chain. And Miami Subs' Petty was once president of Burger King.

Pudgie's (No. 2 in the Top 50) key to success may be its skinless chicken with picnic-style side dishes, but founder George Sanders labored for nearly 12 years refining his operations before

franchising in 1989. The carryout and delivery chain grew from seven stores in 1990 to more than 130 in mid-1992. "This is not a short-term glitzy person," maintains Steve Wasserman, Pudgie's CEO, of Sanders.

Scanning the top 10, one thing seems clear: Double-drive-thrus are hot. Besides Checkers and Hot 'N Now, the Mexican-themed Taco Cabana is new to the top 10.

The largest double-drive-thru chain, seven-year-old Rally's, slipped on this year's growth list—to No. 37 from No. 3 in 1990—but the chain is still cranking out new

units. As the chain gets larger, percentage growth decreases even if store openings continue at the same rate.

Factoring in speed and value, the giants like McDonald's and Burger King are getting a run for their money from the upstart double-drive-thrus, which offer lower prices and faster service. "McDonald's no longer provides low-priced hamburgers fast," says Rice. "The double-drive-thrus are coming in to fill the void behind McDonald's, Burger King, and Wendy's."

Fact is, double-drive-thrus represent a return to fast food's origins. Rally's, for example, sells a fully dressed burger with fries and a 16-oz. soft drink for a mere \$1.97. Checkers sells quarter-pound burgers at an "everyday" price of 99¢, usually in less than 30 seconds from the time a car drives up to one of its windows.

"The public," says Ed Binzel, Rally's senior vice president of franchising, "is

WHO GAINED THE MOST DOLLARS?

	1991	1990	Change
Little Caesar's	\$1,725,000	\$1,400,000	\$325,000
Subway	1,400,000	1,100,000	300,000
Olive Garden	706,746	551,985	154,760
Chili's	545,000	440,383	104,617
Cracker Barrel	346,292	257,971	88,321
Applebee's	289,600	228,200	61,400
Outback Steakhouse	93,400	34,084	59,316
Pudgie's Famous Chicken	98,200	40,000	58,200
Old Country Buffet	196,212	145,236	50,976
Rally's	221,100	185,800	35,300

enced foodservice people who've paid their dues elsewhere. Outback, with a 174% increase in systemwide sales last year, is only five years old. Founders Robert Basham, Chris Sullivan, and Tim Gannon learned the ropes helping to run Bennigan's in the mid-1970s and early 1980s, with Basham and Sullivan then moving on to open their own Chili's restaurants in Florida and Georgia. Gannon, meanwhile, assisted Popeyes founder Al Copeland in launching his dinnerhouse restaurant, Copeland's, as well as other independent restaurant ventures of his own.

"We felt there was a niche for steak and prime rib," says Basham. Noting that the budget and high end were already taken, he says he and his partners decided to commit to the middle of the road. "No one significant major player was in the mid range."

WHO OPENED THE MOST UNITS?

	1991	1990	Change
Subway	5,853	4,777	1,076
Little Caesar's	3,650	3,173	477
Olive Garden	290	228	62
Checkers Drive-In	117	56	61
Pudgie's Famous Chicken	131	70	61
Great American Cookie	330	280	50
Chili's	260	223	37
Rally's	333	297	36
I Can't Believe It's Yogurt	422	388	34
Applebee's	191	160	31

For more information on the Beef Council circle number 53. P

3 CHECKERS

President Jim Mattel (foreground) and chairman Herb Brown are behind the wheels of the fastest-growing double-drive-thru chain in the U.S.



saying, 'that's what those [fast-food] guys used to be.'"

Percentage gain figures for these chains are impressive: Checkers scored a 94.5% sales gain, Hot 'N Now 51.6%, Taco Cabana 39.2%, and Rally's 19%.

On the other side of the maturing burger chains is the diverse casual-dining world of full service to which customers can trade up. Although they've skipped down the ranking line because their base got so much larger, casual full-service chains like Olive Garden, Chili's, and Applebee's continue to forge ahead in unit openings and dollar gains. The three are in the top 10 when sheer numbers of new units and dollars are added up. "We had the most new openings ever in the last year," says Olive Garden spokesman Charles Tate.

Olive Garden's continued strong growth, along with Spaghetti Warehouse and the Old Spaghetti Factory, indicates that the Italian segment is still in a growth mode.

So is the pizza category. Two new pizza chains cropped up on this year's growth list: Bertucci's Brick Oven Pizzerias and California Pizza Kitchen. Thus, brick oven and designer pizza joins a relatively older deep-dish concept, Pizzeria Uno. Says Technomic's Paul, "Pizza is a broad product group. It's not just fried chicken, if you will."

Indeed, an all-fried chicken concept

is virtually nowhere to be seen on the Top 50 chart. Pudgie's is about the only one, but it offers both fried and roasted chicken cooked without the skin.

Still, back-to-basics American fare with value pricing lands a solid place on the growth chart, as evidenced by Old Country Buffet and Cracker Barrel. They posted 35% and 34% sales growth rates, respectively.

Moving up the charts from last year are other all-Americans: Hooters (from 18 to 6), Longhorn Steaks (40 to 23), and K&W Cafeterias (50 to 40).

Newcomers include the Japanese-style eateries in California known as Yoshinoya Beef Bowl (ranked 7th), Great Steak & Fry (9), T.K. Tripps-Rock Ola Cafe (10), Nathan's Famous (14), Central Park (17), Morton's of Chicago (24), Grady's American Grill (28), Eat 'N Park (31), and Hard Rock Cafe (44).

Companies that disappeared from this year's top 50 include: Soup Exchange, Ruby Tuesday, Ark Restaurants, Au Bon Pain, Cinnabons, Sbarro, and Souplantation.

"Many companies hit the wall when they are growing," says one analyst who fol-

lows a number of publicly traded chains. Sbarro is a prime example. The family-controlled chain had been a growth leader in recent years; in 1990 it was the 15th fastest-growing chain.

Sbarro is now in a trenching mode after having added new field managers to handle expected growth that didn't materialize. Traffic in malls, where many units are located, is down and other chains with value menus have been competing with Sbarro in the malls. Its stock plunged nearly 30% after first-quarter earnings dropped 23%.

Some analysts attribute Sbarro's problems to inadequate management and the fact it has outgrown the

THE BASE GOT BIGGER

The 10 leading percentage gainers in new store openings

	1991	1990	Change
Outback Steakhouse	49	23	113%
Checkers Drive-In	117	56	109
Pudgie's Famous Chicken	131	70	87
Miami Subs	79	49	61
California Pizza Kitchen	24	16	50
Taco Cabana	42	29	45
Spaghetti Warehouse	20	14	43
Hooters	71	50	42
Morton's of Chicago	17	12	42
Nathan's Famous	74	54	37

WHAT A DIFFERENCE A YEAR MAKES

Not one of 1990's top 10 percentage sales gainers made it to last year's top 10

Rank	1990	1991
1	Chievy's Mexican Restaurants	Outback Steakhouse
2	Applebee's	Pudgie's Famous Chicken
3	Rally's	Checkers Drive-In
4	Souplantation/Sweet Tomatoes	Hot 'N Now
5	I Can't Believe It's Yogurt	Miami Subs
6	Olive Garden	Hooters
7	Pizzeria Uno	Yoshinoya Beef Bowl
8	Subway	Taco Cabana
9	Ruby Tuesday	Great Steak & Fry
10	Cracker Barrel	T.K. Tripps/Rock Ola Cafe

entrepreneurial bent of its founders, who still run the company.

But Sbarro's fall indicates something more. In recent years, the growth in the number of new units has exceeded the growth in customer traffic. That means operators must steal customers from each other. Even if consumer demand is present, today's climate requires that business fundamentals be strong in all areas. "In the '50s, '60s, and '70s you had to be pretty dumb to screw up," says Rice. "You could get away with mistakes."

Not today. Operators must be smart enough to scout out new consumer demand, and even smarter to deliver the goods over time.

Still, as Rice says, "There's nothing today that's going to end up with thousands and thousands of units. Those days are over."

GOOD NEWS FOR HARD TIMES

Low prices spurred big sales gains last year

BY MARILYN ALVA

When the going got rough, people in Pittsburgh raided the Eat 'n Park for honeybuns and strawberry pie. In North Carolina, they headed for the K&W Cafeteria for some country fried steak and biscuits. In Portland, it was over to The Old Spaghetti Factory for spaghetti and meat sauce.

Hard times have been good news for Motherhood and apple-pie restaurants. As paychecks got smaller or vanished, and consumer confidence took a leap out the window, people who could stormed well-known restaurants serving food from the good old days.

The top six percentage gainers in average unit volumes in 1991, when the country was in the deepest throes of the recession, were family-style restaurants serving big portions of American food—nothing fancy—at low prices. Their names: K-Bob's Steak Houses, Eat 'n Park, T.K. Tripp's, Rocka Ola Cafes, The Old Spaghetti Factory, Cracker Barrel, and K&W Cafeterias.

"With less than a \$4 check average, our competition is the grocery store," says Gary Allred, president of Winston-Salem, N.C.-based K&W Cafeterias, where each unit makes everything from scratch twice a day. The food choices: 18 kinds of salads, 14 entrees, 12 kinds of pies, and a half-dozen different home-baked breads.

Allred says customer counts are surging: a K&W restaurant often feeds 2,500 people a day. "Our customers are getting younger," adds Allred. "Young families are coming to us, and working mothers with kids." Average unit volume in 1991: nearly \$2.9 million.

"Our customer counts have never been higher," adds David Cook, senior vice president of The Old Spaghetti Factory, which has been dishing out plates of spaghetti and a growing number of pasta dishes since 1969. "People trade down when times are not so good." Restaurants average

about 800 customers a day.

The Pittsburgh institution, Eat 'n Park, experienced such tremendous customer growth in 1991 that executives may wish that better days hadn't come along. "We're not now at the magnitude we were when people were trading down," says one. "Maybe customers are trading back up." Still, business is high volume.

Eat 'n Park began as a carhop chain 42 years ago and switched to family-style sitdown in the mid-1970s—after McDonald's arrived. Restaurants serve full breakfasts 24 hours a day, soups, salads, burgers, hot turkey sandwiches, and full entree meals headlined by such items as liver and onions, Salisbury steak, and chargrilled salmon. Average check: \$4.35.

In the South, T.K. Tripps and Rock-Ola, owned by Greensboro, N.C.-based T.K. Tripps Inc., also menus moderately priced casual American fare on the order of ribs, ham steak, soups and salads, and pastas. Both have separate children's menus. Rock Ola restaurants, with its juke-box music and frequent birthday parties replete with balloons, is the more casual of the two relatively similar concepts. Average unit volumes jumped 13%, to about \$2 million.

Cracker Barrel's menu is pegged to a rural Southern country theme at low prices: dinner plates of meat loaf, hickory-smoked pork barbecue, and chicken n' dumplings are only \$2.85. And that comes with two vegetables and biscuits or corn muffins.

A succession of boycotts by gay activists against Lebanon, Tenn.-based Cracker Barrel for its firing of some homosexual employees may have dumped rain on the party, but sales continue to surge. Average unit vol-

umes rose more than 11% last year, to a rousing \$3.2 million. Unlike other family chains rooted in communities, most Cracker Barrels are situated off interstate highways to draw in travelers.

K-Bob's is out of bankruptcy now, and store closings before new owner Ed Tinsley acquired the family steakhouse chain last year have left a small core of units in Texas, New Mexico, Kansas, and Colorado. The closing of poor-performing restaurants made the average unit volume percentage increase inordinately high, but the fun-

WHOSE STORES GAINED THE MOST The Top 10 gainers in average unit volume

	1991	1990	Change
K-Bob's Steak Houses	\$760,000	\$520,000*	46.2%
Eat 'n Park	1,820,000	1,570,000*	15.9
T.K. Tripps/Rock Ola Cafe	2,080,000	1,800,000*	15.6
Old Spaghetti Factory	2,000,000	1,769,000	13.1
Cracker Barrel	3,247,000	2,920,000	11.2
K & W Cafeterias	2,875,000	2,600,000	10.6
Checkers Drive-In	903,000*	825,000	9.5
Levy Restaurants	2,600,000*	2,400,000*	8.3
Subway	280,000	260,000	7.7
I Can't Believe It's Yogurt	225,000*	210,000	7.1

* Technomic

** Company Estimate

damentals of those in place are now stable. Tinsley, a former franchisee for the Schlotzsky's sandwich chain, has recently established a national distribution program and additional marketing support pegged to localities.

Most of these unit volume leaders are button-down operations-oriented machines. K&W doesn't even employ marketing people. "I follow pretty much what my daddy told me: The best advertising is on the plate," says Allred, whose father founded the first restaurant in 1937.

"We stick to our knitting," says Old Spaghetti Factory's Cook. "We tinker a little, but our concept and training is pretty well thought out. Our system is simple. We pride ourselves on being good operators."

"Consistency," adds an Eat 'n Park executive, "is our number-one goal."

CHEAPER GOODS HAVEN'T HURT

Costs have been down for a while, and they could stay that way

BY PETER McKENNA

Chains that have forged relatively high growth in the face of recession have been helped along by one of the few good economic trends to come along in a while: declining cost of goods. For more than a year, the prices restaurants pay to their suppliers for a wide range of food and supplies have been dropping precipitously. The result has been improved gross margins for many restaurants.

"To understand what lies behind the price declines, just pick up an economics textbook and read the section on supply and demand," says Caroline Levy, a restaurant analyst for Shearson Lehman Brothers in New York. "Restaurants buy less food during a recession, some of them go out of business, and fewer new restaurants open for business. But there is still a large supply of food and supplies, so the prices have to go down."

Restaurant purchasing agents say the rise and fall of food and supply generally balance each other out during good economic times. But during the past 12 months or so, recession has caused a steady and somewhat unusual drop in nearly all items important to restaurants.

"We see a softness in almost every area," says George Cook, senior vice president of purchasing for Checkers Drive-In. He says he's paying 5% less now for paper cups alone.

Aaron Spencer, CEO of Uno Restaurant Corp., the parent of Pizzeria Uno, says favorable product costs in 1991 made it possible for the company to keep cost of sales the same despite the roll-out of a new high-value menu and larger pizzas.

And analysts attribute lower food costs as one reason Outback's income from operations, as a percentage of revenues, is increasing.

"The price drops have been very, very favorable for most of the restaurants I follow," Levy says. "It has been an across-the-board drop in food,

paper, energy, and most other products. The only costs that have not gone down or registered just slight increases are for fish and cheese. Even labor costs have been falling."

The bottom line results of the declines, Levy says, "have been dramatic in some cases." Old Country Buffets, she points out, had a three-point improvement in gross margins in the first quarter of this year. Chili's parent Brinker International has had a consistent one-point improvement during the last year.

The prices restaurants pay for fish and cheese have indeed been among the few items registering substantial price increases. From April 1991 to April 1992, fish jumped 13.4% and cheese went up 6.2%, according to the U.S. Department of Commerce. Other items showed modest increases, including sanitary paper products such as napkins, towels, and toilet tissue, which went up 2.3%. Paper cups and liquid-tight containers went up 0.6% while ice cream and frozen dessert prices inched up 1.1%. Bakery products, including bread, cake, and pies, went up 4.1%.

"For restaurants, the happy fact is that items that increased in price did so only marginally," says Craig Howell, an economist with the U.S. Bureau of Labor Statistics. "There also seems to be several cases in which an increase is balanced by a decrease. Alcoholic beverages went up 1.7%, but soft drinks fell 1.8%. The rates charged to commercial electric power users, such as restaurants, went up 0.9%, while the price of natural gas for commercial customers went down 1%. Restaurants that use home heating fuel had a 0.3% drop in price."

Another happy fact is that foods bought in great quantities by restaurants have shown the sharpest price drops. In the April to April period, hamburger prices dropped 8.8% and pork fell 17.4%. Veal and beef declined 5.5%, other red meat products fell 4.7%, and USDA Choice beef products fell 5.5%. Poultry, chicken, and turkey prices fell 1.5%; fresh and dried veg-

etables fell 13%. Fruits and melons registered the steepest drop of all, a whopping 35.9%. Fats and oils fell 2.4% and flour fell 0.5%.

Chuck Thienpont, director of food-service for Hartwick College, tracks prices restaurants pay to wholesalers for a range of meats, fresh produce, and canned and frozen commodities. He's found "a fairly substantial drop in the whole basket of items I follow. For the first two quarters of this year, the average price paid by a restaurant buyer for all these items together was down by 6%."

To the benefit of restaurants, the oversupply of product and declining demand has produced an intensely competitive market for food producers and suppliers. "Our food prices," says Checkers' Cook, "have dropped several points over the last year, particularly beef and bacon prices, which have shown truly dramatic decreases. The result has been that margins have tightened for our suppliers and distributors. They are fighting to keep our contract, which means they are willing to lower prices on just about everything."

Some chains are locking in today's low prices for the future by squeezing the best prices out of their suppliers now. Pizzeria Uno, for example, was able to lock in a long-term contract for flour and thus avoided a subsequent increase in wheat prices.

"We invite bids on certain items on a yearly or once-every-two-years basis," says Charlie Whelan, a purchasing agent for VICORP, the parent company of Village Inns and Bakers Square. "Typically, if we have seven or eight vendors who bid on something, we find their prices to be all over the board. They are hungry for our business, and we end up getting the best possible prices on the 20% of the items that make up 80% of our costs."

VICORP also takes market positions in commodities such as beef, chicken,

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Restaurant managers say their biggest fear is that food prices will hit bottom and begin to rise

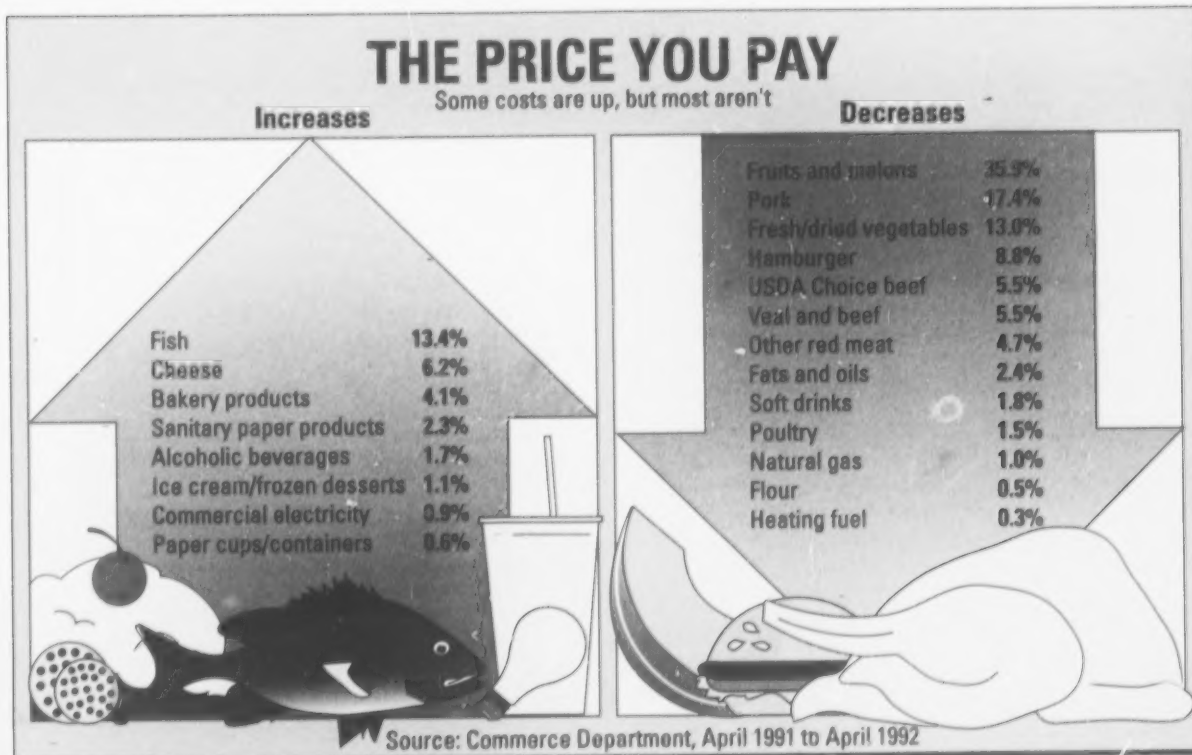


CHART BY SHAR HANZ

and oils. "The commodities market has been driving a lot of the improvement in our margins," Whelan says. "It has been very favorable for us to take these positions."

The price flexibility VICORP has generated through its bid schedule and market positions has also helped the company's fiscal planning. "The operating plan for this fiscal year is trending exactly as we forecast," Whelan says. "We know exactly where our food costs are going to be. We saw lower food costs last year, and they certainly are not going to be higher this year. This is a great advantage for us."

Another advantage of the oversupply and tremendous competition currently driving the food market, Whelan says, is that no single vendor has been able to capture a market on individual products. "No vendor has been able to put us at a disadvantage," he says.

Not all restaurant chains are experiencing such a multitude of benefits

from lower food and supply prices, however. "Our pricing is done on a regional and corporate basis, so it's hard to determine the overall effect of the drop in food prices," says Joe Brennan, senior regional director of the Marriott Corporation. "Our margins are affected by so many different markets. Some commodity prices have gone down for us, but other expenses have gone up, particularly transportation and packaging costs. We also try to maintain the quality of our food product by purchasing expensive food items, which tends to keep us on the high end of values. It's still a very volatile market for us."

Meryl Berry of Bob Evans Farms says his company has experienced "a mixed bag of price movement, which has had offsetting implications for our business. We are doing a lot more with fresh fruits and vegetables to take advantage of the drop in price, but other items have gone up. I'd like to say we've enjoyed the decline in food prices, that it's improved our margins,

but I can't." On the other hand, steep declines in pork prices last year amounted to a windfall for the chain. It managed to save \$1 million a month on pork alone.

Restaurant managers say their biggest fear is that food prices will hit bottom and begin to rise. "They are looking ahead and saying, 'My God, costs can only go up from here,'" says Shearson's Levy. "But the reality is that there is absolutely no sign of upward pressure on food prices. Some companies, like VICORP and Pizzeria Uno, have locked in prices, so they will be protected even if the economy improves and prices begin to turn. They have developed pricing flexibility they will be able to pass on. I tell restaurant people not to worry about food prices, not for at least six months."

Checkers is not the least worried. Cook sees costs coming down further and another executive at the chain says, "The way we view it, there is no bottom."

RB



CONVENIENCE STORES

MARKET SEGMENT REPORT

Emerging from a difficult few years, the convenience store industry remains troubled. The largest convenience store chain, 7-Eleven, is in the midst of restructuring management a year after coming out of bankruptcy protection with new owners. Number two chain, Circle K is following a similar route; at press time, the bankrupt company agreed to be purchased for \$375 million by an investor group. Houston, Texas-based National Convenience Stores, parent of Stop & Go, is hoping to emerge from Chapter 11 itself by early next year, as are some smaller, regional players like Happy Food Stores of Oklahoma City, Okla. Other chains are coping with an oversaturated market by consolidating, shaking a number of stores and executives from the family tree.

In its 1992 State of the Industry Report, the National Association of Convenience Stores (NACS) of Alexandria, Va., verified that the number of convenience stores decreased last year by 2.3% to 69,600 stores. "The industry continues to shed unproductive stores at about the same rate as it has for more than 20 years," says NACS president and CEO Kerley LeBoeuf. "That fact, when coupled this year with a lower rate of new construction, are clear signs of a maturing industry."

Sales and profitability, however, were strong in 1991. Due in great part to a record 26% increase in gasoline sales, total industry sales rose 0.8% to \$75.1 billion. Sales per store rose in 1991, 6.4% for gasoline and 1.4% for merchandise (including foodservice). Average checks rose 15¢ to \$2.45. The industry only broke even in terms of profits, but that's a vast improvement from 1990's loss of \$149 million.

No matter what's going on behind the scenes, what consumers see of convenience stores hasn't changed a bit. They see centrally located, one-room, one-story buildings with large parking lots, and often a few gas pumps out front. Inside, they see piles of newspapers, shelves of cigarettes, aisles of groceries in miniature packages and, frequently, fountains and urns from which they can take their own soft drinks and coffee. Hot dogs, donuts,

continued on page 182

**The number
of stores decreased
last year by 2.3%.**

By Rona Feldman

Sheetz' MTO
(Made To Order)
foodservice
program garners
28% of inside
sales in the stores.





CONVENIENCE STORES

MARKET SEGMENT REPORT

sandwiches and sometimes fried chicken can be gotten quickly for take-out consumption.

Foodservice—usually in this limited guise—continues to be a growing part of the convenience store industry. Operators find that, although making sandwiches requires far more labor than putting a pack of cigarettes and matches on the counter, the profit margin is so much higher for foodservice than for traditional items that it's worth the cost.

It takes a lot of labor to provide customers with good, quick service," says Jeff Wild, director of foodservice for Sheetz, Inc. "We've upgraded our sanitation efforts and had all our managers go through sanitation training with the Department of Agriculture." But with foodservice grossing a 60% profit margin (before labor and expenses) versus a 30% margin for Sheetz' other products, Wild says the company still comes out way ahead.

According to statistics from NACS, foodservice profit margins in 1991 ranged from 34% for deli services other than sandwiches (such as prepared salads) to 71% for hot beverages. The

Operators find that, despite the higher labor costs involved, foodservice is a big profit generator.

profit margin for fresh (versus frozen) sandwiches was 46%. Top-seller tobacco, by contrast, grossed only a 25% profit margin, while second-biggest-seller beer grossed 24%.

Foodservice is convenience stores' third biggest seller industry-wide, capturing 12.1% of merchandise purchases, according to NACS. Only tobacco (24.9% of sales) and beer (12.7%) are bigger sellers.

Location, of course, has everything to do with a foodservice program's success, and convenience stores in rural areas tend to play up foodservice far more than those in big cities. Southerners have supped in-house on Jr. Food Mart's Creole fried chicken for 17 years, but neither the company's extensive menu nor its seating would have worked in cosmopolitan areas, admits director of advertising Gene Clark. "We're not going to go into

metropolitan areas and compete with fast feeders," Clark explains. "We target small town America, where maybe there's one McDonald's or one Pizza Hut."

Elliot Deutsch, vice president and general manager of Food Spot Stores, whose 40 stores are in Florida's populous Dade and Broward counties, agrees. "We can't take advantage of foodservice opportunities like chains in rural areas can," he says. "In rural areas, the convenience store is like the center of town and you can put almost anything in. We're in a built-up market where there's a Pizza Hut, Domino's, or Colonel Sanders on almost every corner. They specialize in foodservice and we can't compete. We've got to concentrate on more conventional items to generate our margins."

The convenience store industry
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Fas Mart promotes its "What's Cookin'" foodservice program on exterior signage.



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changes slowly, but has begun taking advantage of new marketing tactics to increase foodservice sales. Many chains have found that creating brand names for their foodservice programs helps portray a quality image. Houston, Texas-based Shell Oil, for instance, is betting that graphics and packages labeling its Food Marts with the secondary tagline ETD—Experience The Difference—will market its stores not only to new customers but also to potential franchisees.

Taking the branding concept further, some chains have even hooked up with national restaurant chains, figuring that selling nationally known products would bring in more customers than unfamiliar names. Dunkin' Donuts and other donut chains have had kiosks in convenience stores for years, but now Pizza Hut, Mrs. Fields, and Godfather's are also reputedly in tests. Following the lead of Stop & Go, Wawa Food Markets is now testing Pizza Hut and Taco Bell stations in its stores.

Branding may have a future in convenience stores, predicts T.C. Godwin, chairman of the NACS and president of T-Mart Food Stores. "If you're going to butt heads against a burger place," he says, "why not become a franchisee and have them share a spot in your store? That would open up opportunities for all parties."

Traditionally large sellers of soft drinks, coffee, and beef jerky, convenience stores are also becoming a place to pick up a healthier lunch—perhaps a turkey breast sandwich and a tossed green salad. Since offering light tuna and boneless, skinless chicken breast sandwiches, Daybreak in Delafield, Wis., has been

able to attract more white-collar customers. These same consumers often buy expensive, attractively packaged juices and mineral waters with their light purchases.

The healthier meals are selling to c-stores' traditional blue-collar base as well as to the occasional white-collar customer. "I'm convinced that people eat what they want," says Jennie Jones, director of marketing for the Fas Mart chain. "I try to appeal to all segments. I don't say, 'I'm across the street from an office building, and therefore I'll sell croissants and salads.' Truck drivers buy salads, and even broccoli au gratin. You can't categorize convenience store customers in terms of eating habits at all," Jones claims.

All sales—including those of healthy foodservice items—are gasoline-driven at Jr. Food Marts. "The hard hat has to have gas for his truck, and the white-collar guy has to have gas for his car," says Gene Clark. "Therefore, our customer base is mixed."

As the nation's population becomes increasingly ethnically diverse, convenience stores have begun catering to local tastes. Few chains in rural Pennsylvania have gotten any more foreign than installing a nacho machine, but in Miami, c-store customers can get a small taste of Cuba. Food Spot Stores in heavily Hispanic areas brew Cuban coffee to order and carry a line of *pastalitos*, pastries filled with guava and cheese. 7-Eleven has tested rolled burritos and egg rolls that cook on a roller grill.

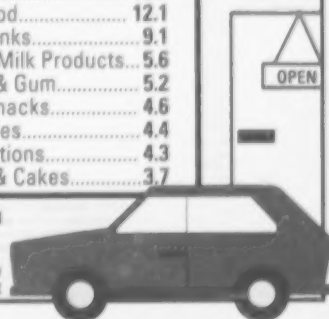
A few years ago, fried chicken

TOP TEN PRODUCT CATEGORIES

As a percent of merchandise purchases

1. Tobacco.....	24.9%
2. Beer.....	12.7
3. Fast Food.....	12.1
4. Soft Drinks.....	9.1
5. Milk & Milk Products.....	5.6
6. Candy & Gum.....	5.2
7. Salty Snacks.....	4.6
8. Groceries.....	4.4
9. Publications.....	4.3
10. Bread & Cakes.....	3.7

SOURCE: National Association of Convenience Stores, 1992 State of Industry Report



seemed like it would become the convenience store industry's next standard item; operators nationwide began testing it. Today, some operators still garner big business from fried chicken sales, but those with less encouraging results have dropped out of that arena. "Chicken entails a huge commitment of labor," explains John Callanan, staff writer at *Convenience Store News*. "It's difficult to handle because of freshness and safety issues, and it doesn't keep well. So now only operators who have the necessary commitment to chicken still sell it."

Little more than a year after emerging from a bankruptcy reorganization, Dallas-based Southland Corporation is testing improved foodservice programs in its 6,300 domestic 7-Eleven stores. Southland has another 7,000 convenience stores around the globe.

In the Austin, Texas, market, 7-Eleven has reduced clutter in its stores by removing most freestanding displays and cleaning up signage. All slow sellers store-wide were eliminated and new ones tested in their place. In the foodservice area, fresh produce was added to the menu—to encouraging results. Many customers grab an apple, banana, or bunch of grapes with their sandwiches, adding incremental sales.

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**With 12% of sales, fast food,
is already a big seller for c-stores,
second only to tobacco and beer.**



CONVENIENCE STORES

MARKET SEGMENT REPORT

The produce has helped bring more women shoppers into the stores. The only challenge, notes national advertising manager Marva Cathey, has been anticipating demand, since spoilage is rapid. The chain recently began donating unsold produce to charity.

Except in the Florida, New York and Washington, D.C., markets, foodservice has not been a focus at 7-Eleven; that may change soon. The company is exploring the possibility of making sandwiches and salads in regional commissaries for delivery to stores. "That would guarantee freshness, timeliness of delivery and economies of scale," Cathey explains. "The sandwiches would have a high-quality taste, and we would know that they never left the commissary more than four hours old."

CORNERSTONE. Beginning as a two-for-99¢ hot dog promotion in 1981, foodservice has grown into a "cornerstone" of business for Sheetz, Inc., of Altoona, Pa., according to director of foodservice Wild. Four years ago Sheetz introduced its MTO—Made to Order foodservice program, and customers at its 163 stores, most in central and western Pennsylvania, have since learned to order, for example, a ham and cheese MTO instead of calling the sandwich a sub.

Looking to distinguish itself from the competition, Sheetz promotes its sandwiches as high quality by marketing the brand of meat used, and provides a more bountiful sandwich than competitors. Sub rolls are being baked in-house in a four-unit test. Television ads, which feature food shots, use the tag line, "We make it good for you."

Sheetz complements its sandwich business with a selection of salads. Salads are currently made to order from ingredients that are cut up in the store; Wild is currently researching the advantages of buying



Breakfast accounts for 40% of sales at Fas Mart, but stores also sell fried chicken prepared in-store, sandwiches, salads, and hot entrees.

salads prepared elsewhere.

Since the MTO rollout—completed two years ago—foodservice has shot to the top of Sheetz' sales charts. Foodservice accounts for 28% of sales inside the store (outside sales refer to gasoline-related purchases), from only 5% before the MTO introduction. Foodservice also accounts for 40% of in-store profits.

Wild continues to explore new foodservice options. He's looking into hooking up with a national pizza restaurant chain; he's also considering offering an MTO pizza. Made-to-order nachos are in test. "MTO16" customers are given their choice of chips with cheese, chili sauce, sour cream, onions, and jalapeños.

While some convenience store chains with strong foodservice programs find seating a profitable investment, Wild says seats don't work well for Sheetz.

"If you're going to sit in an establishment, you're tying up a parking space out front," he says. "And that's critical to us."

He is trying to lure customers in for take-out and other purchases, though. Last fall, Sheetz began offering 10-oz., 16-oz., and 20-oz. coffees for 49¢; six months later the price rose to 59¢. According to Wild, 55% of take-out coffee buyers in the chain's market area buy their coffee at Sheetz. That number had previously been 45%. "The coffee is still profitable for us," Wild explains, "and any time we bring more customers into the store we have the opportunity to sell more merchandise."

Fas Mart, a 42-unit chain based in Mechanicsville, Va., has built breakfast into one of its stores' biggest sellers, accounting for 40% of total sales. Up to 150 customers per store order bacon-and-cheese croissants and other breakfast sandwiches every morning. The sandwiches are made before the rush to ensure quick service.

Fried chicken, too, is big business for Fas Mart's "What's Cookin'" foodservice program, which features seating in

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Foodservice profit margins range from 34% for delis to 71% for beverages.



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most stores. The product, which is prepared fresh throughout the day, sells regularly from 10:30 a.m. to 7:30 p.m. Fas Mart buys the chicken in preportioned, gas-packed, 32-piece packs. Employees wash, bread, and fry the chicken every hour and fifteen minutes, since that's the longest the product will hold well. New beer-battered chicken tenders, prepared from frozen product, have done well in initial tests.

Instead of preparing sandwiches to order, Fas Mart makes 10 standard varieties in each store daily and stocks them in a chest-style glass case. (A change to chest-style cases from sliding door cases increased sandwich sales at least 30% per store, according to director of marketing Jennie Jones.) Standards, which vary by market, include tuna salad and bologna. Specialty sandwiches such as chicken Parmesan and light chicken complement the line.

Other What's Cookin' selections include tossed salad, salad with marinated chicken strips, and hot entrees such as macaroni and cheese.

In one rural store, a more expansive foodservice program has boosted sales 10%. In this store, sandwiches are made to order from meats and cheeses

C-stores in rural areas tend to play up foodservice more than big-city units because of less fast-food competition.

displayed in a 6-ft. holding cabinet, and meals are served on china instead of disposables.

In all stores, Fas Mart is trying to increase foodservice sales through new marketing efforts. Direct mail advertisements stress cross-merchandising by suggesting customers pick up a sub and a bag of chips. POS materials in bedroom communities suggesting that commuters buy lunch with their breakfast purchase have boosted lunch sales in those markets.

Foodservice is a major business for 400-unit Jr. Food Mart of Jackson, Miss., which has stores in 19 Southern states. The chain's foodservice anchor is Creole Fried Chicken, which shares a fast food-style counter with the Express Street Deli and Morning Fresh Bakery. Most stores have from 24 to 40 seats.

Currently, the chicken is fresh and marinated, battered, and fried on the premises. Looking to save labor, Jr. Food Mart is testing frozen and gas-packed chicken products. The chicken sells strongly from 10 a.m. to 9 p.m., with sales split evenly for lunch and dinner.

Jr. Food Mart's Morning Fresh Bakery features donut and biscuit products. The donuts are bought frozen and glazed at the store. To save labor, the chain is testing selling Dunkin' Donuts or products from other specialty chains in its stores under the Morning Fresh Bakery logo. Hand-held biscuit sandwiches are also popular breakfast items.

Located primarily in small towns, Jr. Food Mart attracts many customers for its foodservice alone. Although gasoline is the biggest draw, 20% of the stores' customers purchase fast food. Of foodservice customers, 60% come specifically for something to eat or drink.

The folks at Delafield, Wis.-based Dairyland Fuels find that customers want convenience more than anything from the foodservice at its Daybreak convenience store. The store provides made-to-order sandwiches, but most customers are too time-pressed to wait for their order to be made.

Instead, most customers grab prepackaged sandwiches, which are replaced once a week, and frozen sandwiches that they can microwave in the store. Double-grilled cheeseburgers and tacos are other typical selections. "I prefer it that way because there's no work for me," says Daybreak manager Jim Congdon. "I'm exploring the possibility of not making sandwiches to order at all."

Other self-service items sell well,
continued on page 198



In North Carolina, T-Mart Food Stores are destination chicken-and-biscuit stops.



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too. By-the-slice pizza, which is prepared from a frozen product and held for one hour, is popular, as are hot dogs.

At breakfast, baked goods are strong sellers. Congdon warms frozen donuts, brownies, and muffins and puts them out for sale. He has encouraged coffee sales by offering a 16-oz. coffee for 25¢ to customers who bring in their own Daybreak mug. The mug costs \$2.49. The same size coffee ordinarily runs 50¢.

Miami, Fla.-based Food Spot Stores keeps its foodservice program basic because its 40 stores are in Miami's Dade and Broward counties, where fast-food competition is fierce. The chain offers hot dogs in some stores, premade and made-to-order deli sandwiches in others, and Cuban pastries and coffee in yet others. Many stores carry Dunkin' Donuts products for breakfast. The donuts are sold under Dunkin' Donuts' name, using the chain's logo, napkins, and bags. Food Spot buys the donuts daily on a consignment basis from a local franchisee, and pays only for what's sold.

Food Spot tests new foodservice items regularly but finds that, in such a diversified market area, few products sell well chainwide. Frozen yogurt machines were installed in nine stores, for instance, to mixed reviews. While sales are strong in a few units, others just break even. "You've got to be in a neighborhood where people are into a product like that, but where you're not near a strip shopping center that has a frozen yogurt specialty shop with a choice of toppings and flavors," notes Deutsch.

Food Spot is now testing Philadelphia-style pretzels. The pretzels arrive frozen; to prepare them for sale, employees spray the

pretzels with water; sprinkle on cinnamon, onion, or garlic toppings; and bake them.

Brothers Angelo and Dino Kiahtipes have been using foodservice as a draw to their Market Express convenience store since opening day two years ago. Market Express is located across the street in Price, Utah, from a convenience store known for its fried chicken. The Kiahtipeses therefore decided to charbroil hamburgers in their store, and the menu has helped draw a steady following among schoolchildren and commuters.

Market Express' signature item is the Deliberger, a quarter-pound patty topped with pastrami and Swiss cheese. Locals also crowd into the store's six booths to consume french fries, made-to-order hoagies, and by-the-slice pizza (the Kiahtipeses buy the crust and sauce but prepare the pizza on premise). Ham and cheese croissants have become popular breakfast items. Many commuters pick up a pre-made hoagie with their breakfast and take the hoagie to the office for lunch.

White Hen Pantry, Inc., is so dedicated to its foodservice program that senior vice president

The 400-unit Jr. Food Mart's foodservice anchor is its Creole Fried Chicken, which shares a counter with the Express Street Deli and Morning Fresh Bakery.



Most c-store food

offerings are

simple and fast.

of operations Allen Davis refers to its convenience stores as "delicatessen oriented." Since the Elmhurst, Ill.-based chain's founding in 1965, sandwich counters have been central to every unit built.

Each of White Hen Pantry's 390 convenience stores has an eight-foot deli case from which sandwiches are made to order. A variety of salads are brought in regularly from an outside supplier. A handful of hot entrees such as chili, soup, and roast beef supplement the menu.

White Hen's management does not, however, believe in offering chicken, pizza, and other high-maintenance hot foods. "If you have fresh deli, you're going to have fresh deli," says Davis. "When you have foods sitting on a steam table, they pass away in a hurry. You have to sacrifice quality. That's not our image."

White Hen promotes sandwiches and bulk deli purchases in its weekly newspaper advertisements. White Hens are located in Illinois, Wisconsin, Indiana, Massachusetts, and New Hampshire. About 90% of the stores are franchised.

Foodservice is a profit center for White Hen, though not its only profit center. "Our deli doesn't bring in a huge percentage of our sales," Davis reports, "but it does bring in a very important portion." He would not reveal specific numbers.

Chicago-based Amoco offers refreshments of some sort at each of its 6,000 filling stations. Some stations have no more than a soft drink machine while

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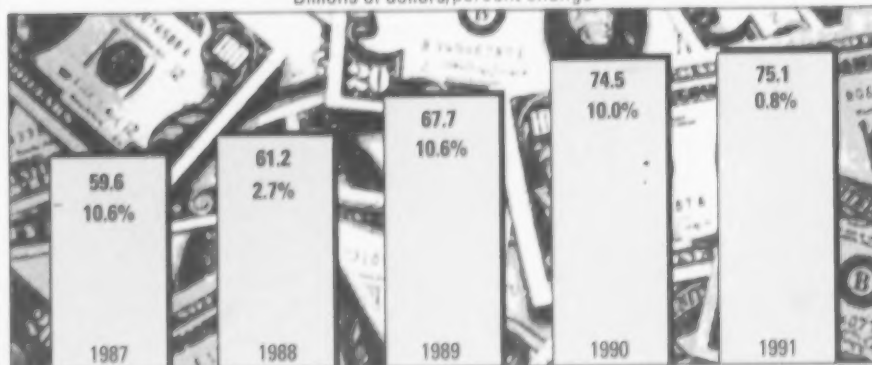


CONVENIENCE STORES

MARKET SEGMENT REPORT

TOTAL CONVENIENCE STORE INDUSTRY SALES

Billions of dollars/percent change



SOURCE: National Association of Convenience Stores, 1992 State of Industry Report

others have full-fledged mini Amoco Food Shop convenience stores stocked with fountain beverages, hot dogs, and microwavable sandwiches. Most of these are impulse purchases. According to Amoco's food shop merchandising specialist Kathy Latham, the majority of customers stop at the Amoco primarily for gasoline and then might decide to buy an easy-to-grab food item.

Gasoline is a dirty business, leaving Amoco wary of expanding its foodservice offerings too far. "When you tie gasoline to open food," Latham explains, "you need excellent controls. That's why so few of our jobbers [small oil companies that run 60% of Amoco's stations] feel fast food is worth the effort."

Fountains, however, are the stores' most profitable area, so Latham encourages managers and jobbers to use them. "I suggest that everyone install the largest number of valves that they can possibly fit," she says.

A deli counter has long been a staple in Philadelphia-based Wawa Food Markets' 500 Delaware Valley and Connecticut convenience stores, and now the chain is aggressively testing ways to improve and expand its foodservice offerings.

Last summer, Wawa introduced The Shorti, a small hoagie aimed at bringing women and white-collar men into the store for lunch. Billed as being "For One Hungry Person," The Shorti has helped increase sales, a spokesperson says, without revealing any specific details.

Wawa has also begun buying its hot food items in a "cook-chill" state similar to that used in many hospital foodservice kitchens. Foods are bought frozen in plastic bags, then "rethermalized" in a hot water bath. The spokesperson says cook-chill technology has enabled Wawa to prepare smaller amounts at one time, to prepare foods more closely to serving time, and to discourage staff short-cuts (because

there are none that can be taken). Macaroni and cheese, beef and cheese, meatballs for sandwiches, and soups are all purchased and prepared in this manner. New fillings for hot sandwiches such as barbecued pork and steak and cheese have recently been added.

Looking to make foodservice an even bigger part of its customer draw, Wawa is beginning to test the use of nationally branded fast-food counters in its stores. Pizza Hut and Taco Bell, for example, will have in-store carts featuring limited menus.

In rural North Carolina, T-Mart Food Stores have become destination chicken-and-biscuit stops for diners on the go, according to Godwin of the 14-unit, Dunn, N.C.-based chain. He credits his success to the hands-on management a small chain can provide, and a stable workforce that sticks around long enough to learn about quality and cleanliness. Once a week, T-Mart customers also settle into the stores' seats for fried fish and chips.

Deli sandwiches are made in some T-Marts, and now Godwin is exploring the addition of "perceived-healthy" salads. Using mostly ingredients such as lettuce and tomato already in stock as sandwich toppings, Godwin is looking into adding a garden salad and a pasta salad to some stores. The salads would be made on the premises.

Foodservice's future in convenience stores is unclear, but opportunities abound, according to Godwin.

"I think that foodservice will stay pretty stable for the next couple of years until people figure out their strategy," Godwin predicts. "Right now there are a lot of operators getting out of it because of their inability to do it well. But I think there's an opportunity for those folks who figure out how to do it well."

Despite a unit decline, sales and profitability were strong in 1991, due in part to record increase in gas sales.

C1800-5

AUGUST 10, 1992
A BILL PUBLICATION

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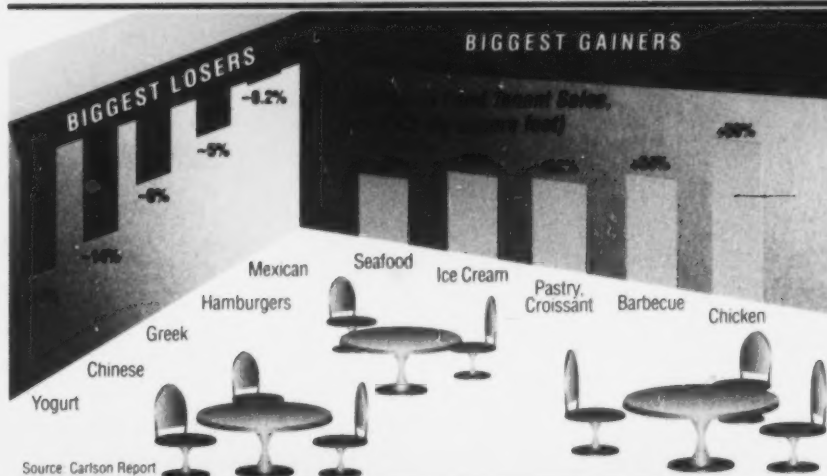


THE BATTLE OF IOWA

HOW THE BIGGEST
FRANCHISE FIGHT IN
HISTORY WAS
WON—AND LOST

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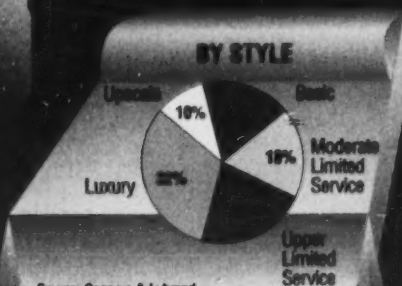


What's Hot in Food Courts?

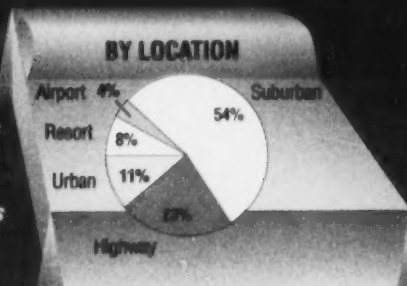
After declining 4.5% last year, food court sales in shopping centers and malls have rebounded, posting overall gains of 24%. Chicken vendors were the biggest winners while the yogurt category slid into last place.

Where's The Hotel Market Going?

Limited-service, suburban hotels are becoming the favored lodging properties of the 90s. More than 40% of hotels that have opened since 1990 are limited-service, and more than half of newly opened hotels are in suburban locations.

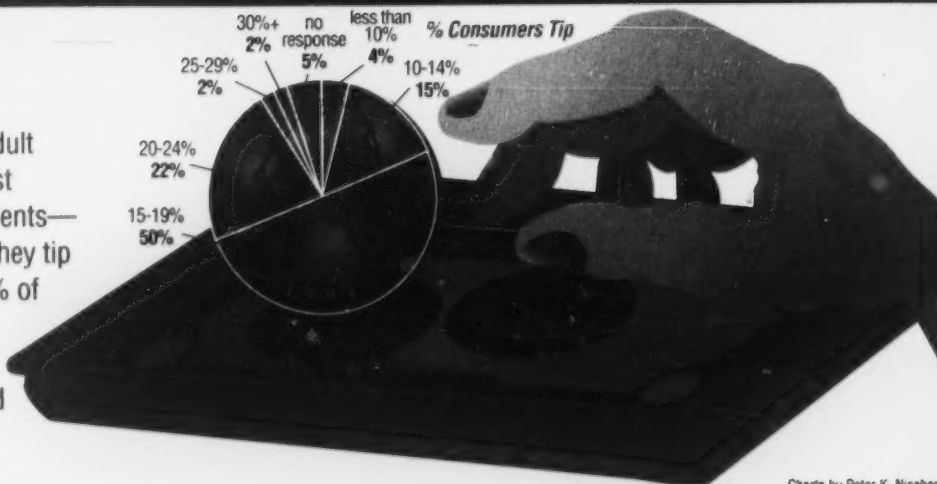


% of Newly Opened Hotel Rooms



How Much Do Customers Tip?

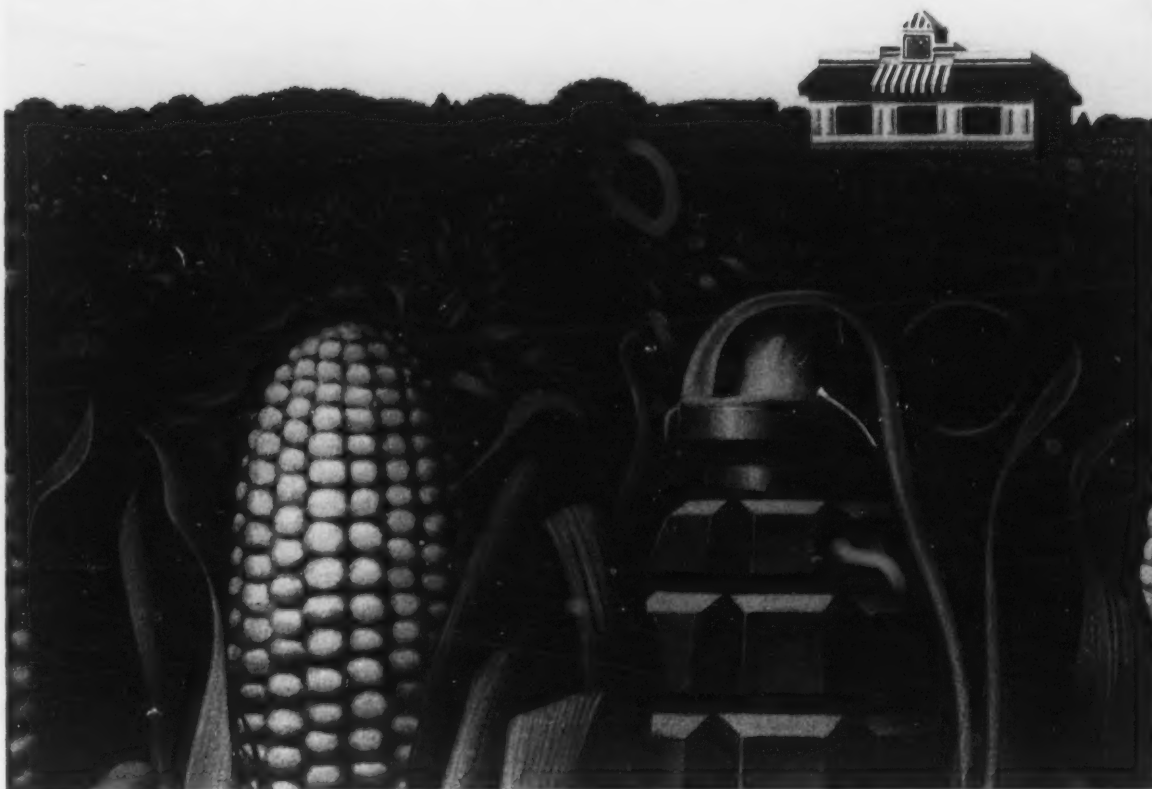
In a survey of 1,000 adult consumers, the biggest percentage of respondents—50%—indicated that they tip between 15% and 19% of their total bills. Some 85% of restaurateurs said customers should tip that amount.



Charts by Peter K. Niceberg

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Cover illustration by Daniel Kirk

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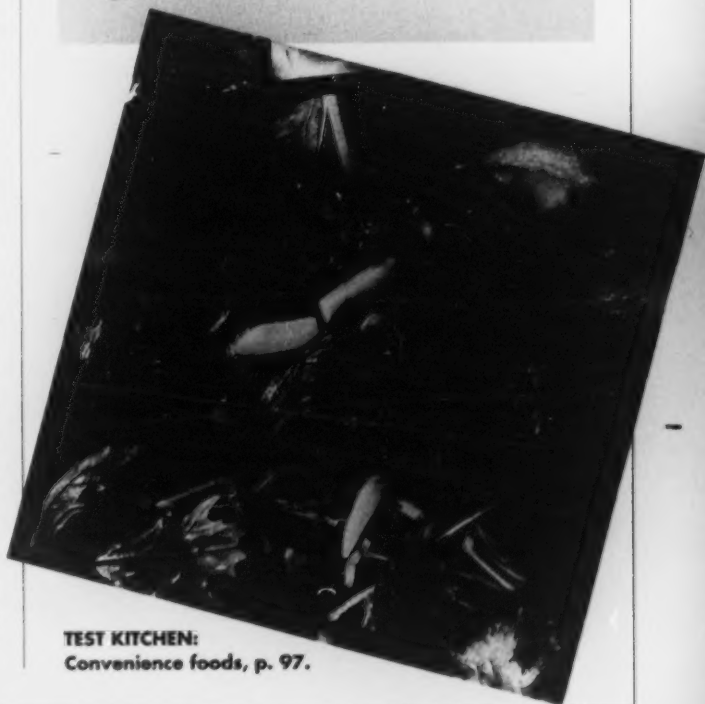
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COVER STORY CREDIT CARD CHAOS. As credit and charge card companies intensify their battles against one another with pitches for their acceptance at service establishments, restaurateurs begin to wonder which cards they really need. *RB* takes a look at the rates charged, the promotional benefits, and offers a primer to guide a restaurateur in deciding which cards to accept.

SPECIAL REPORT JOHN KLUGE. One of the richest men in America, Kluge entered the restaurant business in a big way with Metromedia. Parent of Ponderosa and Bonanza, the company continues to have problems uniting the two competitive chains.

MARKET SEGMENT REPORT BAKERY. The retail bakery business has had a tough year. But restaurants that serve freshly baked goods find them to be signature profit centers.

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TEST KITCHEN:
Convenience foods, p. 97.

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Card Games

Upping The Ante
In Plasticland



BUSINESS BAROMETER

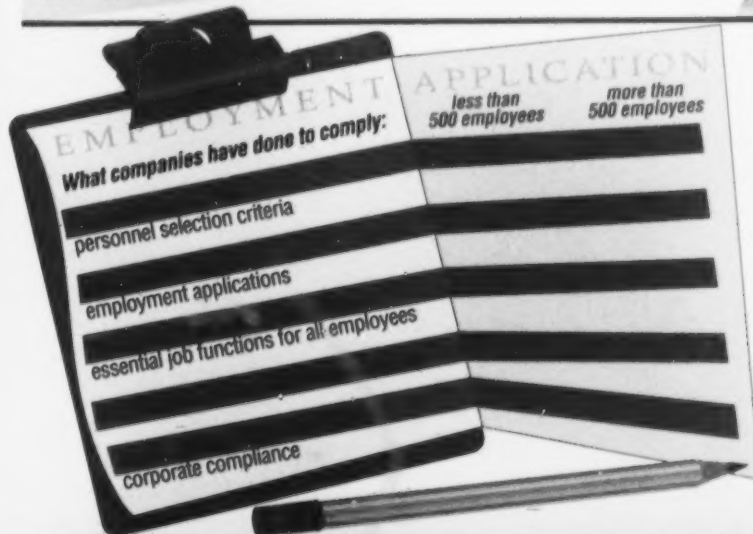
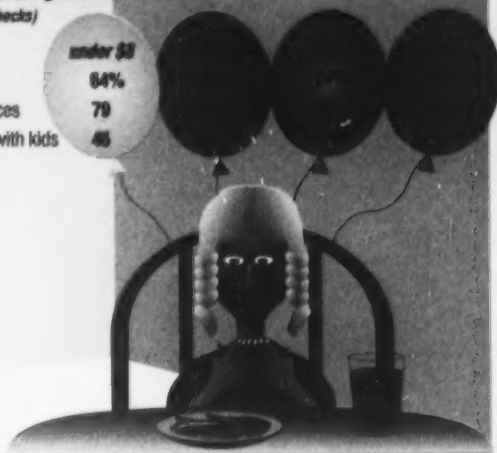
Child-Friendly Restaurants: More Than You May Think

Restaurants are clearly catering to parties with children: the number of children's entrees on tableservice menus has doubled over the past five years, from 3% of the total entree mix in 1986 to 6% in 1991. Operators needn't do anything extravagant to please them. Kids favorite foods: french fries, pizza, and hamburgers.

Source: National Restaurant Association

% of tableservice restaurants offering children's amenities
(categories by per-person dinner checks)

Children's favorite menu items
Child-size portions at lower prices
Promotions to attract families with kids



Coping With The ADA: What Have Companies Done?

Title 1 of the Americans With Disabilities Act—involving prohibitions on employment discrimination—went into effect July 26 for those with 25 or more employees, sending restaurant operators scrambling to comply. The law covers such areas as application procedures, hiring, firing, advancement, compensation, and training.

Source: Buck Consultants, Wall Street Journal

Beef And Chicken: What A Difference A Decade Makes

It's no surprise that American consumers have been gobbling up chicken in ever increasing amounts in recent years, and that beef and pork consumption is down. But Americans still consume more beef than chicken. However, consumption figures from the past 10 years shows that the difference is narrowing considerably.

Pounds consumed per person annually



Source: American Meat Institute, U.S. Dept. of Agriculture

Charts by Peter K. Niceberg



COVER STORY

CARD GAMES. Charge and credit card companies are brawling for market share, but some of their customers are not happy. With this decade's lingering recession, increased unemployment, and the cutbacks in corporate perks, America's restaurant owners are bellowing their demands for better service, lower rates, and a clearer appreciation for the fickle nature of foodservice **68**

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RESTAURANT FANTASY. What's your fantasy restaurant? Describe it in a 50-word essay, and you may be the winner of a contest being run by two New York City restaurateurs. Grand prize is a fully equipped restaurant, rent-free, for one year. But don't bank on your hopes yet, the contest has been extended indefinitely to garner more entries, with no end in sight **50**

KOSHER COPS. In many states, kosher dietary regulations are backed not only by tradition but also by the force of law. Regulators argue that the kosher laws are just protecting consumers, but some question whether the principle of the separation between church and state has been violated **58**

GRAND CENTRAL'S GRAND PLANS. One of the most spectacular spaces in all of New York City is looking for a restaurant—the ornate Beaux Arts-style Waiting Room in Grand Central Station. But it's a big deal with many potential pitfalls **80**

Cover illustration by Robert Neubecker

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MARKET SEGMENT REPORT BAKERY. With many restaurants opening their own bakeshops, independent bakeries selling snacks and sandwiches, and supermarkets battling on all fronts, the line seems to keep blurring ever further between food-service, wholesale, and retail 127

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PIECE MEAL POPCORN SHRIMP. Not a particular crustacean, but rather, this is a gimmicky moniker for small peeled shrimp, coated in a spicy batter or breading, deep fried, and served with a dipping sauce 107

DRAFTS, CARAFES & SPIRITS WHITE GOODS. From a smoked salmon martini to a premium Gold Margarita, vodka, gin, light rum, and tequila are proving to be eminently mixable and clearly trendy 145

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INDUSTRY REPORTS AVAILABLE

Reprints of the 1991 **RESTAURANT GROWTH INDEX** and 1992 **FRANCHISING REPORT** are available for \$7 per copy. Direct inquiries to Editor Scott Allmendinger, RB, 633 Third Ave., New York, NY 10017.

IN THE NEXT ISSUE

SPECIAL REPORT 25TH ANNUAL RESTAURANT GROWTH INDEX. This is the silver anniversary of our exclusive state-of-the-industry analysis. The RGI is an essential tool for evaluating the potential of industry and geographic segments. As in previous years, it is presented in two sections: reports on trends in the market segments and a comprehensive package of statistical tables grouped by Metro Areas and ADIs.

TEST KITCHEN SANDWICHES. Specialty breads, vegetable-based fillings, flavored sauces and spreads have all helped operators turn sandwiches into signatures. And with the help of high-quality convenience items, building better sandwiches has never been easier.

DRAFTS, CARAFES HEADY BEER PROMOTIONS. The leading on-premise alcoholic beverage can still profit from a well-aimed push. Reports from the field on successful merchandisers.

CHEF'S ART ANDREW SWERSKY. At the Morada Bar & Grille in Boca Raton, Fla.



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SANITATION TRAINING TAPES

Get that 'ounce of prevention' with **RB** magazine's professionally produced, easy-to-absorb video tapes. Provides up to 50 minutes of instruction on sanitary practices. Each tape can be used independently or as a set and includes a 'Leader's Guide' to show how to conduct group discussions and written exams.



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g C A R D s a m e

While the card companies brawl for market share, restaurateurs angle for a better deal

In a way it resembles the race for the White House, this contest of the plastic cards to win most-coveted slot in the wallets of America's diners and most-coveted spot on the tables of America's restaurants.

There is the incumbent, American Express, in power for years, portrayed by some constituents as arrogant and uncaring, trying mightily to stem a further economic downturn. It has of necessity become a kinder, gentler card company, making concessions it sneered at during the comfortable, cozy '80s it controlled.

And there is the opponent, Visa—with clone-like MasterCard tagging along as its unofficial running mate—energized by the call for change and basking in new-found popularity. Its focus: a broadened base of support. Its campaign strategy: to erode the incumbent's core constituency.

There are also lesser candidates involved in this grab for restaurant dollars: Diner's Club, barely scratching the market it invented; and the upstart Sears card, Discover, growing in public acceptance.

Who's going to win? It's too close to call. But one thing seems clear as Chardonnay: Restaurateurs are out to challenge the credit industry's old business-as-usual policies.

In the 1980s restaurant operators barely whimpered about taking 3% to 5% off their bottom lines for the care and feeding of the card companies. But with this decade's lingering recession, increased unemployment, and the cutbacks in corporate perks, America's restaurant owners are bellowing their demands for better service, lower rates, and a clearer appre-

ciation for the fickle nature of foodservice.

"There's less of a bottom line to take away from now," says David Rea, of the Olde Towne Chop House in Fort Lauderdale. "There's higher insurance, higher workers' comp, the FICA tax on tips. Couple that with the fact that people are just not going out as much now. As the volume goes down, the card rates go up, so you're being penalized. In the face of a recession, it's just not fair."

"It's tougher and tougher to make money today," echoes John Buchanan, managing partner of The Original A-1 restaurant in Chicago. "Operators need to reduce expenses on all sides, and credit cards are part of that."

The card companies and the banks that issue the cards have been getting the message, despite the fact that they, too, are victims of the sour economy and falling interest rates. Fifteen percent of all card purchases are made in restaurants—by one estimate that will amount to almost \$42 billion this year.

To support that 15% share, card companies have become leaner, meaner, and smarter about how they do business. Last year, AmEx lowered its rates for the first time since the late 1970s and aggressively touted its advertising support programs for its restaurant customers. The bankcards are out courting casual and low-priced restaurant operators big time, while hundreds of merchant banks are striking deals for lower rates.

The credit industry of the '90s "is going to be driven by the choices of the restaurant industry," says Discover's senior vice president of merchant sales, Michael Leavitt.

BY RON SYMPSON



But don't think the restaurant industry is making all the choices, because clearly it is not. It is the credit industry that master-minded consumer demand for cashless transactions, obligating nearly 80% of U.S. restaurateurs to accept cards as a condition of doing business. Cards are no longer simply plastic status symbols for well-heeled businesspeople to flash at high-check dinner spots. They've become ubiquitous in the realm of casual dining, too. "We take about every [card] out there," says Red Lobster's Dick Monroe. The 555-store seafood chain accepts MasterCard, Visa, AmEx, Discover, and Diner's. So does its sister operation, the 345-unit Olive Garden.



DiFillippo drew blood in Boston. A year later, AmEx is a kinder, gentler card.

Even fast-food restaurants are buckling under to the credit-card craze, through technology that makes charge approval as quick as a cash exchange. Already involved are most of the major chains, from Arby's and Taco Bell to Burger King and Grandy's.

Market segmentation aside, however, the battlefield on which most eyes are focused today is the same one in which the card games began—the upscale end of the restaurant business. It is there that the once supreme AmEx card is taking it on the chin.

The first volleys were fired in January 1991 when a handful of Boston restaurateurs threatened to boycott AmEx for refusing to lower its "discount fee"—the card companies' curious label for the percentage of a sale deducted for a charge transaction. The action soon escalated into a nationally publicized frenzy. By the time it was over, AmEx's travel related services division had taken a heavy hit, and its competitors rushed in to pour salt in the wounds.

Steve DiFillippo, who operates three Boston-area Davio's restaurants, was among the organizers of the protests. At the time, AmEx was assessing rates of 3.25% to 4.5% on restaurant charge sales.

"Everybody was lowering their rates, the garbage collector, the linen service," says DiFillippo. "American Express was just one of those line items and we thought, 'Gee, why don't we get together and see if they can lower their rates?' We had a meeting with [AmEx], four or five of us. They kept saying the chairman sets the rates,

there's nothing they could do. It was just incredibly arrogant. We independently decided we'd drop American Express."

After the third meeting, DiFillippo was pictured in a Boston newspaper driving a chef's knife through an AmEx card. The story was picked up nationally. "At one point there were a couple of hundred restaurants easily [participating]," he claims.

Saul Garlick, an accountant for 50 Boston restaurants, says the operators were able to strike a deal with a merchant bank for MasterCard and Visa to lower their rates from 2.75% to 1.7%, but that AmEx wouldn't budge. "Sales were off 5% to 15% in the Boston area then," Garlick explains. "They were cutting payrolls, going to purveyors asking for reduced fees, going down the line, cutting expenses everywhere they could. They were able to do it in every area except American Express. That's why the restaurateurs boycotted."

Patricia Duffy, vice president for restaurant marketing at AmEx, describes the revolt as her company's "call to action." But her recollection of events varies somewhat from the restaurateurs'. "They basically said to us, 'We are demanding that you drop your rates to us or we are going to cancel,'" Duffy says. "We

PHOTOGRAPH BY ARTHUR POLLOCK

A Rate's A Rate, Except...

It is within the volatile arena of fee structures that the choices for restaurateurs become most muddled, and where new card games are constantly being dealt. Sure, you can shop cards for the best deal on the "discount" rate that the company charges on each transaction. But caveat restaurateur if you plan to negotiate by rate alone.

"Rate is a devious animal, because you don't really know what your rate is until you add it all up," says Katherine Oakes, director of associations for one of the nation's largest card processors, Inter-Banc Financial Network in Knoxville, Tenn. "It's like a phone bill."

The confusion stems from differences in cards, in the way they are issued, and in the way they are processed. And each layer of difference can carry cost implications for the operator.

Charge cards, such as American Express and Diner's Club, require payment in full on the account each month, and do not charge interest to the account holder. The companies' income is derived from annual card fees and its "discount rate" (a percentage the company deducts from each restaurant charge). Discount rates, which are directly collected by the company, tend to be higher for charge cards because there is no revenue from interest

income. The discount rate for American Express ranges from 2.7% to 4.25%; Diner's Club from 3.5% to 4%.

Credit cards, such as Visa, MasterCard, and Discover, do generate interest income from extending revolving credit. They offer the cardholder the option—for a fee—to carry an outstanding balance from month to month.

More importantly, Visa and MasterCard are controlled by associations (with overlapping memberships) of banks and a few corporations—most notably AT&T—that issue the cards to consumers. (Discover is issued through Sears Roebuck affiliate Dean Witter Financial Services.) Other member banks negotiate discount rates with restaurants to process their card transactions, and compensate the issuing institutions via an interchange rate, which is set by the association. In addition to a percentage of the restaurant credit sale, a per-transaction fee may be assessed. The difference between the discount rate which the processing bank quotes the restaurateur and the interchange rate paid to the issuer represents the processing bank's profit—and a target for negotiation by the retailer.

The interchange rate for Visa and MasterCard currently ranges from 1.25% with no transaction fee to 1.91%

explained that we are not going to just drop Boston's rates. It would have to be across the board. They said, 'You are an expense we need to reduce.' Our response was that there are two sides to your P&L statement. 'You want to focus on the expense side. Is there something we can do to help on the revenue side?' "

Negotiations deteriorated by the third meeting, Duffy says. "At that point the [news] coverage began and got things focused entirely on price. The largest [number of restaurants] we ever had was about eight. They said they had hundreds."

The upshot is that five months later, AmEx buckled under. It introduced new rates based on electronic processing that dropped the cost for restaurants doing \$1 million a year or more in AmEx sales to 2.7%. And all but two or three Boston restaurants returned to the fold.

In the meantime, however, Visa and Discover moved into town. Discover sent in a sales force to woo the disenchanted restaurant owners. Within nine months, says Discover vice president Leavitt, the card's acceptance rate at Boston restaurants grew from 25% to 75%.

MasterCard stayed out of the fray. "It's always been our position not to get into a battle," says Ellen Alexander, vice

and a 10.6¢ fee per transaction. After the processing bank has figured in costs and profit, the discount rate can run to 2.3% or more.

The Visa board has set new interchange rates to take effect in April 1993. The range for credit cards will run from 1.25% to a high end fee of 2% plus 11¢ per transaction. For operators who use standard paper processing, that amounts to a rate hike of about 5% on a \$50 check, assuming the processors don't take an increase of their own.

What's likely to come as more of a jolt to restaurant owners is that for the first time, Visa has established a sharply different interchange rate for accepting the company's corporate card, of which about one million are now in existence. According to the trade publication *Credit Card News*, the new interchange fee will be 1.98% plus 6¢ per transaction, up from a low-end of 1.4%. The bottom line increase for restaurateurs at the cheapest rate on Visa corporate cards will amount to 47¢—from 70¢ to \$1.03—on a \$50 check.

A Visa spokesman declined to comment on the new interchange rates, except to acknowledge that separate fees had been established for corporate cards.

Charge or credit card, your discount rate will be affected by the annual volume of sales on the card, the average charge per card transaction, and the way in which the charge is processed—from the standard paper route to sophisticated computerized networking. Of these, says Inter-Banc's Oakes, the method of processing now bears the most weight on the size of a restaurant's discount fee.

At the high end of the rate schedule, she explains, is the standard paper credit card form for the restaurateur who simply "accepts the card and walks over to the bank and hopes it's good. They pay dearly for that, 4% or 5%."

The lowest rates are available for restaurants where credit processing is fully automated with a "draft capture environment." Charges are processed through a sophisticated computer network that tracks cardholder status and quickly updates the account. The result is significantly reduced bad debt.

Until last June, American Express based its discount fees solely on sales volume, with no compensation for electronic processing. Rates ranged from a low of 3.25% for restaurants charging at least \$1 million in sales a year with

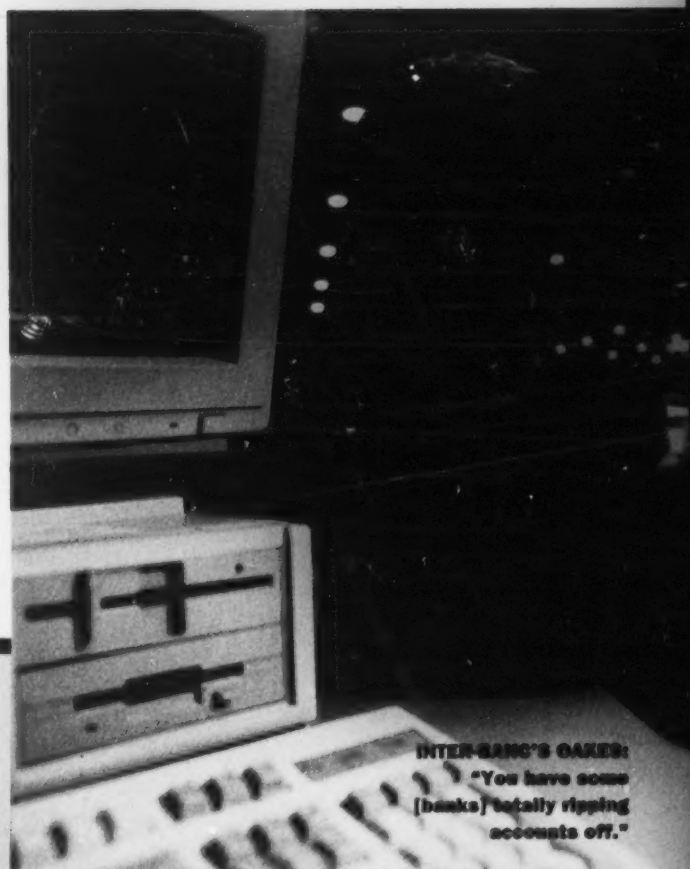
AmEx, to a high of 4.5%.

Rates were cut last year after boycotting Boston restaurateurs put the company on a national hot seat. Currently, American Express discount fees are 3.25% to 4.25% for standard paper processing, and 2.7% to 3.98% for electronic processing.

The adjustment to an electronic rate category meant significant savings for high-volume operators. On a \$50 check, the AmEx fee dropped 20%, from \$1.63 to \$1.35. For \$1 million in American Express sales, that amounts to adding \$5,500 to the bottom line.

Electronic processing, however, doesn't come cheap. There are lease or purchase costs for system hardware—such as printers and terminals—installation, training, network access fees, and phone lines. Other costs above and beyond the quoted discount rate include application fees, deposits to be held against chargebacks, statement fees, supply costs, and fees paid to a third party broker offering the convenience of one-stop processing of multiple cards.

Which part is negotiable? All of it.



PHOTOGRAPH BY CHARLES BROOKS

president of restaurant marketing. "I think service is the issue of the '90s."

During the Boston revolt, Visa's only active involvement was to pay for an attorney to help the activist restaurateurs avoid violating federal trade regulations in their threatened boycott.

But since then, Visa's bankcard association has taken AmEx head on: with a "profit improvement calculator" claiming huge savings with Visa; with a fiery ad campaign urging restaurateurs to red-pencil AmEx contracts to their liking; with point-of-purchase materials that clearly announce a restaurant's preference for Visa; and with a beefed-up business card for corporate clients.

Having now placed more credit cards in the wallets of consumers than all the other companies combined, Visa has shifted its approach from consumer saturation to the expansion of its markets.

"American Express has nev-

er had this competition before we came into the marketplace. They had a free rein," says Thomas Edwards, Visa's vice president of travel and entertainment marketing.

The most forceful of Visa's attacks is a two-page advertisement in restaurant trade magazines belittling AmEx's post-Boston rate reduction and deriding the company for contract clauses that forbid restaurateurs from voicing a preference for one card over another. The ad pictures a restaurant owner with a gag over his mouth.

"Remember, no one can force you to give up your freedom of speech, your freedom of movement, or your freedom to make your own business decisions," Visa admonishes, and then suggests: "Get out your red pencil. Cross out or change any part of the proposal that you see as an infringement on your rights."

Edwards defends the advertisement. "It's not a heavy-handed approach," he insists. "The merchants are aware if they don't red-pencil the contract it could be costing them valuable profits."

But credit-industry consultant Michael Auriemma questions Visa's efforts. "I'd like to see what happens when they get their first red-lined contract," he says.

AmEx's Duffy says Visa has distorted the intent of the AmEx contract.

"Our contracts have always required equal treatment," she says. "We simply say you will not discourage use of our card." As to the suggestion that the contract be red-lined, Duffy comments: "That can't happen. We're not going to say that some restaurants can get rid of our equality treatment [clause] and that others can't."

Auriemma also contends that AmEx could drop its rates even further than it has, explaining that the income Visa and MasterCard banks make on revolving credit may not exceed 6% or 7% because of the interest the companies have to pay on the money they front to consumers. "The [Visa and AmEx] P&Ls are different, but not so lopsided as American Express would have you believe," he says.

Partially because of the rates, and partially because of what appears to be a general distaste among operators for AmEx, Chicago restaurateur John Buchanan tried a sort of boycott of his own. When he opened his restaurant in 1990 he decided not to accept the AmEx card.

He quickly changed his tune. "Customers came in and said, 'What do you mean, you don't take American Express?'" Buchanan recalls. "I gave in after three months." AmEx now accounts for 40% of his charge sales.

AmEx bashing has evolved into somewhat of a sport among restaurant operators, but just how justified it is may be another matter. Sure, AmEx rates are higher than other cards, but other cards don't come with the same support. AmEx contributes to an operator's own advertising budget; its database



AMEX'S DUFFY:
Focusing on revenue
rather than expenses—
and trying to be a
better listener.

research regarding customer trends and spending are second to none; and problem solving with business accounts is widely thought to be superior to others'.

On the consumer end, AmEx's billing methods provide cardholders with a more detailed breakdown of spending than other cards. "They provide their customer with more information than a bankcard does, so there must be more cost [to them]," says Garlick. "The consumer has a real preference for American Express and as a restaurateur you have to recognize that. It's just a better package."

Arturo Burigatto of The Vickers in suburban Philadelphia is among the AmEx bashers—"I wish I could get rid of the [card]," he says. He pays AmEx 3.65% on its charges compared to 1.67% for MasterCard and Visa.

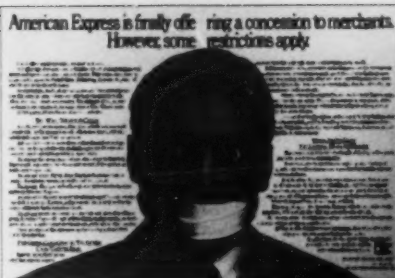
At the same time, however, Burigatto acknowledges that AmEx does provide him with 60% of his card sales, and that he appreciates the marketing help and other support he gets from the company. And he isn't alone.

"They're still the best as far as problem solving and support," says Fort Lauderdale's Rea of AmEx. "You're dealing with one company, with one card, instead of hundreds of banks. They've become very aggressive with their co-op advertising and they have a nice rate. I went to a seminar they sponsored on direct marketing for \$25. Anywhere else it would be a \$300 or \$400 seminar."

AmEx stresses its restaurant marketing support in the advertising it is currently running to counter Visa's ad campaign. AmEx dodges the rate and equality issues, leaning instead on such attributes as the heavy dining habits of its cardholders and the popularity of its business card among corporations.

It is in the business card category that Visa has launched its latest assault. The company claims to have enlisted scores of major corporations for the card and says its use has grown by 250% in the last year. Even so, Visa's estimated 1 million corporate card holders amount to only one-fifth of AmEx's.

And in what is likely to come as a shock to restaurateurs, Visa has set new fees for accepting its corporate card that amount to a 47% increase—in the case of restaurant owners now paying the lowest rate—on a \$50 dinner check. The new fees, according to the industry newsletter *Credit Card News*, will take effect in April. Visa would neither confirm nor deny the new price structure.



VISA'S EDWARDS.
Gaining ground, but is it a good time to raise rates?

Reacting to Visa's plan, one card company executive, who spoke on condition of anonymity, described it as a "bait and switch" ploy—enticing restaurants to drop AmEx, then moving in with higher rates.

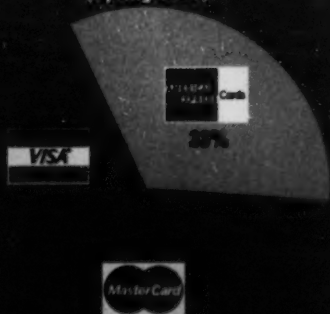
Katherine Oakes, director of associations for Inter-Bank Financial Network, one of the nation's largest credit card processors, says Visa is "looking at terrific accounting problems. It'll create a nightmare for the industry on all levels." She says the new rate will "become extremely expensive." When processing and bank charges are added to the new fee, she says, restaurateurs "could be looking at 2.5% plus 20¢ per transaction" on Visa corporate card charges.

AmEx's Duffy says restaurant owners won't be fooled by Visa's corporate card game. "There are a lot of savvy people out there," she says. "They know their business."

So far, the combination of the Boston insurrection and the Visa campaign seems to have inflicted heavy damage. In the second quarter of this year, AmEx disclosed a 48.7% drop in income at its travel related services division—down to \$123.9 million from \$241.5 million the prior year. The company attributed the decline to increased promotional expenses.

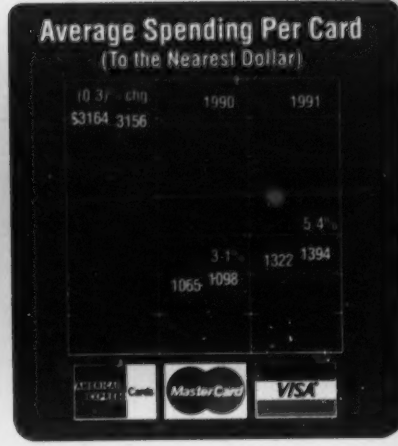
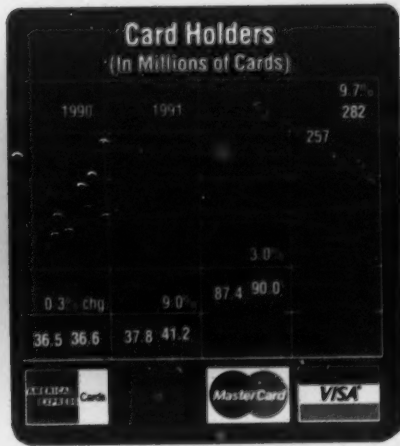
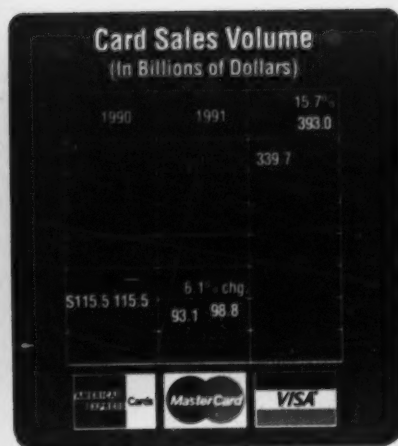
The nosedive in divisional income

Card Share of Restaurant Market
(Spring 1991)



PHOTOGRAPH BY ROBERT HOAGREN

CHART BY PETER NICEBERG



CHARTS BY PETER NICEBERG

rocked the entire corporation, leading to a 30.3% second quarter fall-off in the company's pretax operating income to \$269 million from the previous year's \$386 million. The report also showed a 4.8% increase in card billings from the previous year's quarter—up to \$29 billion from \$27.7 billion—but revealed that it had one million fewer charge cards in circulation than the 36.6 million cards at the end of 1991.

In contrast, Visa reported picking up an extra four million cardholders in the first quarter of this year for a total of 286 million. Card sales volume for the first quarter was \$99 billion, which the company's Thomas Edwards says is an 11.5% increase over 1991.

The numbers make it appear likely that the 33%-29% restaurant market share edge AmEx held over Visa early last year has been trimmed.

AmEx is a long way from tossing in the towel, however. "Our approach to Visa is that we realize they're a very strong competitor and that they have a different product out there in many respects," explains AmEx's Duffy. "We're starting

to see things come back."

Duffy points to a laundry list of services she distinguishes as unique to AmEx, including free-rein cooperative advertising based on a percentage of a restaurant's charge sales. "We've expanded the number of restaurants qualified for this support," she says.

Most important, Duffy says, is that AmEx has learned to be more responsive to the criticism of restaurateurs. "I know that there are still customers out there who are not happy, who are still trying to get the relationship in the right place," she says. "Listening is my mind-set for research."

AmEx has succeeded in its goal, as far as Fort Lauderdale's Rea is concerned. "There was a time when they could have told us to take a flying leap, but they realize that time has come and gone," Rea says. He pays AmEx 3.5%, plus a 15¢ per-transaction fee to a broker. Diner's Club and Carte Blanche get 3.75%, MasterCard and Visa charge him 2.29%, and Discover levies 2%. AmEx, however, accounts for most of his charge business.

David Guglielmo, treasurer for Commander's Palace in New Orleans and five other restaurants in Louisiana and Texas, somewhat grudgingly admits that AmEx brings in most of his charge business, too—about 56%. His restaurants pay below-average fees for AmEx, 2.7%; and for MasterCard and Visa, 1.55%.

He seems pleased with Visa's incursion into the upscale market. "American Express has been very good to the restaurant industry. The restaurant industry has been even better to American Express."

Boston restaurateur DiFillippo says he's encouraged by AmEx's change in attitude. "They're going out of their way to help us out here. I'm really proud of that." He says Boston's revolt against AmEx last year helped grease the wheel for the company's newfound openness.

But he's also excited about Visa's aggressive campaign in the upscale market, and looks forward to its intensified efforts to cut into AmEx's domination of the corporate card market. "You read the new ad?" he asks. "It's serious. It's a war."

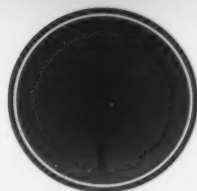
But this is a war in which restaurant operators may be the principal casualties. One card company reduces its rates, another company raises them. Americans cut back on dining out and restaurant sales decline. "I don't see it getting much better," says DiFillippo. "I'm really nervous about the next couple of years."

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EVERY LITTLE BIT HELPS.
Rea's Olde Towne Chop
House takes 8 cards.

PHOTOGRAPH BY BRIAN SMITH



BAKERY

MARKET SEGMENT REPORT

The bakery segment defies easy categorization. With many restaurants opening their own bakeshops, independent retail bakeries selling snacks and sandwiches, and supermarkets battling on all fronts, the line seems to keep blurring ever further between foodservice, wholesale, and retail.

A couple of things remain clear, however. People find it difficult to resist the aroma of fresh baked goods straight out of the oven. Whether the setting is a restaurant serving its own homemade bread and desserts or a snack shop selling cookies or donuts, oven-fresh product holds tremendous appeal. Dessert sales have not diminished noticeably, but even more dramatic changes are taking place at the other end of the meal—in bread service. Operators are learning that greater attention to fresh-baked breads and rolls pays off in customer satisfaction and increased traffic.

Many retail bakeries in recent years shifted their focus away from breads, due to their low return on investment, and concentrated on more profitable sweet goods like pastries, *Bakery Production and Marketing* magazine points out. The editors suggest bakers should work on marketing a new category of value-added bread items—namely, sandwiches. Thus, restaurants may see more competition from retail bakeries on top of already growing competition from supermarkets and convenience stores.

Some bakeries have added eat-in sections, and more will do so, *BP&M* predicts. This trend converges on the restaurant side with the development of bakery/cafe chains like Au Bon Pain, which augment foodservice business with retail sales.

"We're offering customers a fresh, healthier alternative to fast food," comments Michael Simpson, president of Michel's Bakery & Cafe, a Midwest-based chain.

THE LEADER. With \$1.2 billion sales in 1991 and more than 3,200 stores worldwide, Randolph, Mass.-based Dunkin' Donuts must be considered the uncontested leader of this segment. Dunkin' Donuts' strategy in recent years has been to broaden its appeal with products ranging from sandwiches on fresh-baked kaiser rolls to croissants and soup and sandwich combos. In the last year, however, the chain seems to be de-emphasizing efforts to go head-to-head against other fast-food concepts, according to Philip Bennett, vice president, corporate development.

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Operators are learning that more attention to fresh-baked breads and rolls is paying off.

By Carol Casper

Some companies are adding signature drinks like this Mochalatta Chill from Cinnabon.



BAKERY

MARKET SEGMENT REPORT

Thus, this year the chain has focused on its new line of Mini Donuts. The introduction has been highly successful say company officials, as well as judging by the number of other donut chains that have followed with their own minis.

Another major focus for the company is alternative channels of distribution to augment traditional store sales. Dunkin' Donuts' branded distribution outlets now include over 3,000 convenience stores and more than 500 institutional sites. Dunkin' also offers franchisees who operate at least one full-size store opportunities to expand through non-producing, scaled-down freestanding units and strip mall stores, as well as modular cart systems and product towers.

Dunkin' added approximately 400 new stores in '91, more than half outside the U.S. A growing number of freestanding stores are being built with drive-thrus.

Dunkin' Donuts also enlarged its franchised system through conversions of former Mister Donut stores. The chain, which was acquired by Dunkin' parent Allied-Lyons PLC in early 1990, continues to operate separately, while franchisees who qualify can elect to convert. So far about 175 of Mister Donut's original 500 units have made the switch, and more are expected.

With Mister Donut no longer expanding, and another major competitor, Winchell's, undergoing reorganization, Dunkin's dominance of the donut category

appears stronger than ever.

In early 1991, Winchell's, La Mirada, Calif., announced that most of its 500-plus stores would be converted to a new concept called Winchell's 'N' More. Several units were built in 1990, featuring an expanded menu with sandwiches and frozen yogurt. Since then the chain has acquired a new top management team. According to a company spokesperson, the new general manager Nancy Parker "is formulating Winchell's strategic business plan for the '90s. A strong focus will be placed on Winchell's core business and expanding it."

From the perspective of Woodland Hills, Calif.-based Donut Inn, these developments have left a void in the donut franchising market, which it hopes to fill. Donut Inn's system presently includes only about 50 producing stores in California, all franchised. It expects to expand that number over the next 18 months. Donut Inn also markets its products through franchised satellite shops and alternative branded distribution outlets. Together these avenues add up to an additional 100 points of sale.

"We've dramatically increased our branded products program in the last year," says vice president of marketing, Stephen Blum. Recent additions include several contract feeders, plus c-stores and supermarkets. Donut Inn continues to diversify product offerings, but is committed to staying firmly within the bakery category. "We think items like sand-

wiches, soups, and frozen yogurt are too far afield," Blum says.

Scones were introduced this year and the cookie line was expanded. Other featured products include muffins, pastries, bagels, and plain and stuffed croissants. "Our emphasis is on developing more products for the breakfast segment," Blum adds. Donut Inn also recently added specialty coffees; some stores feature cappuccino and espresso bars.

Donut Inn's same-store sales rose 20% last year, says Blum.

SURVIVING NICHES. No other baked item appears ready to dislodge the donut from its leadership role in Americans' snack pantheon. However, several other specialty bakery operations have succeeded in carving out a niche. This has not been won without much struggle and significant casualties. Cookie shops and cinnamon roll stores, hot concepts in the '80s, have undergone a tremendous shake-out. A few strong players are still standing. Muffin shops, on the other hand, have achieved decidedly less success. Most chains have folded and none have achieved national recognition.

"Our biggest concern is the declining number of people shopping in malls," says Richard Dragonette, director of marketing for Original Cookie Co., Cleveland, Ohio. "We have to respond by finding other channels of distribution, and/or increasing our 'strike rate' among the customers that do still come."

These pressures have led some to diversify product lines. Others have retrofitted their concepts to become destination operations.

One operator that has remained successful by sticking to its original formula is Seattle-based Cinnabon. A subsidiary of Restaurants Unlimited, Cinnabon is the largest purveyor of fresh-baked cinnamon rolls, with 168 stores in 29 states and four in Canada. About 100 are franchised.

The chain opened 20 stores in the last 12 months, and expects another 10 to 15 to open before year's end. It projects systemwide sales of \$65 million for '92, up from a little over \$50 million last year.

Most stores are in malls. It also operates a few in downtown storefront locations near offices, and one at the Detroit

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CHART BY SHARI FANG

Segment	1991		1992 (estimate)	
	Units	Sales (Billions)	Units	Sales (Billions)
Retail	21,000* (1)	\$7.1	21,000* (1)	\$7.5
In-Store	23,200	\$8.1	23,225	\$8.5
Wholesale	2,436	\$29.1 (2)	2,440	\$29.4 (2)
Foodservice	200,000 (3)	\$1.0*	207,000* (3)	\$1.7*
Total Sales		\$35.3		\$36.2

Notes: (1) Individual retail units

(2) Wholesale includes bread/cake, cookie/cracker, and frozen bakery

(3) Projected number of foodservice units baking on-premise or receiving product from dedicated commissaries

* Revised estimate

SOURCE: Bakery Production and Marketing, U.S. Commerce Dept., Food Marketing Institute, National Restaurant Association

BAKERY

MARKET SEGMENT REPORT

Metro airport. "We're continuing to look at alternative sites," says director of marketing Gary Merritt. Cinnabon opened a test unit in Smitty's supermarket food court in Scottsdale, Ariz.

Although it once eclipsed Cinnabon with more than 200 units, T.J. Cinnamons, Kansas City, Mo., has suffered setbacks in recent years, and ended '91 with a total of 132 stores, mostly franchised. President and CEO William Teel, however, thinks the chain's period of closings is behind it. "The recession has hurt everyone, but we are in a pretty good position because we already went through our own company recession and restructuring two years ago."

Teel attributes some of the difficulties to a lack of selectivity in sites during its quick growth years. T.J. Cinnamons developed both strip center and mall units, but expects to concentrate primarily now on mall locations. The company also has one supermarket bakery unit, and is exploring possibilities in emerging supermarket food courts.

In contrast to Cinnabon, T.J. Cinnamons offers a broadened line that also includes muffins, cookies, croissants, and bagels. Its signature cinnamon rolls still account for more than 50% of sales.

Same-store sales were roughly flat last year, but have shown some improvement so far in '92, Teel adds. The chain ended '91 with systemwide sales slightly below \$30 million.

Another cinnamon roll purveyor still hanging on is Cindy's Cinnamon Rolls, Fallbrook, Calif. Down to 38 stores today from over 50 three years ago, it plans to start growing again. "Currently we're targeting five new stores a year, says president Tom Harris.

All Cindy's units are in major regional malls. Even though mall traffic is down and same-store sales were off 3% in the last 12 months, Harris still believes malls represent its best bet for future growth.

A few cookie chains, too, have



The diversification of Il Fornaio ranges from bakeries to Italian restaurants.

achieved national success, by focusing on basics. However, the list of those that have disappeared is far longer.

Two that appear solid are The Original Great American Chocolate Chip Cookie Co., Atlanta, and Original Cookie Co., owned by Paris-based Midial, which also owns Fanny Farmer.

"We've done fine in the last 12 months," says Erik Gordon, COO of the former. "We've read all the scary news, but our sales numbers tell a different story. We think the issue is not so much mall traffic being down, but what people buy when they get here."

Gordon says same-store sales are up by single-digit figures. Great American operates more than 300 units, two-thirds franchised. It expects to continue growing at a rate of about 10% a year. The firm has made no major effort to explore alternative sites, but has developed a new kiosk-style outlet to supplement its 600-sq.-ft., in-line mall stores.

Original Cookie is something of an anomaly in the baked snack business, in that all its stores are company-owned. Growth slowed over the past two years, due partly to the closing of some weaker locations. The company had 250 stores open at the beginning of '91 and expects

to have 260 by the end of this year.

"Last year was difficult for everyone, and we scaled back our plans accordingly. However, we expect to return to average growth of 10 to 12 stores annually next year," Dragonette comments. Despite reduced openings, Original Cookie still increased systemwide sales nearly 7% in 1991, to \$64 million.

Original Cookie stores offer three basic categories: bite-size, large old-fashioned, and gourmet. "We're also putting more emphasis on our 13-in. personalized cookies," says Dragonette. Original Cookie also sells "Cookie Cups," cookie shells baked in muffin tins with fillings.

Although still on the scene, Mrs. Fields Cookies has not been very active in the last couple of years. It once led development of the segment, but is now believed to be in financial trouble and perhaps planning a change in direction.

Officials of the Park City, Utah-based company declined to divulge plans, but competitors and industry observers speculate that the company has shifted its interest from cookie stores to cafes and licensing agreements. Mrs. Fields operates 700 cookie stores plus 100 La Petite Boulangeries bakery/cafes and about 20 Mrs. Fields Bakeries.

It signed a licensing agreement last year with TCBY Enterprises allowing the yogurt chain to market its cookies as well. About 200 TCBY units now offer them. Mrs. Fields is reportedly pursuing

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Some single-concept chains have achieved success by focusing on basics.

BAKERY

MARKET SEGMENT REPORT

Bakery/cafes are one of the hot new niches in restaurant development.

licensing agreements with other companies. Future developments will be up to Debbi Fields, who took over from Randy Fields as chairman, president, and CEO.

In the last few years, the market has become ripe with opportunities for branded product distribution, without the need of a system of stores, asserts Steven Stein of Specialty Foods Management, New York, which manufactures David's Cookies. A remnant of the former David's Cookies stores still operate under independent ownership, forming a key customer base for Specialty Foods. It provides David's Cookies in both frozen dough form and as pre-baked, packaged product to them and a growing network of other retail stores, supermarket bakeries, restaurants, and contract feeders.

While such licensing and alternative distribution channels represent one survival strategy for hard-pressed bakery specialists, diversification is a possibility.

Another specialty chain, Cookie Factory, Oak Brook Terrace, Ill., expanded its lines under the new name Cookie Factory Bakeries several years ago. After experimenting with limited lunch menus, this chain is now an expanded bakery concept, still primarily based in malls. Meanwhile, president

Michael Simpson is pursuing opportunities with Michel's Bakery & Cafe.

There are currently 37 Cookie Factory Bakeries, and seven Michel's—all but three are franchised—operating in 15 Midwest states. Simpson projects six to 10 units, between both concepts, will open over the next 12 months.

Sales for the bakery/cafes typically run from \$300,000 to \$500,000 annually, while the Cookie Factory Bakeries average about \$330,000.

Another specialty baker going the restaurant route is Mrs. Powell's Delicious Cinnamon Rolls, Boston. In the course of several ownership changes, Mrs. Powell's has evolved from cinnamon roll purveyor to deli/bakery. Since taking over in January, new president Ron Blane, a Dunkin' Donuts veteran, has steered the chain toward deli business and territory licensing. The company debuted its first combination deli/bakery unit in downtown Boston last spring and expects its first two franchisees to open four more by year's end.

New stores will also offer a limited

selection of deli sandwiches priced under \$4. Another signature item is a "muffin top." "It allows us to offer a unique product with the same appeal as a muffin, but in a more convenient size and shape similar to that of a cookie," Blane says.

Wherever mall leases allow, Mrs. Powell's existing 46 stores will be converted to the new deli concept. Some of these began adding soups, salads, and sandwiches last year to attract lunch business, plus new breakfast items like bagels and scones.

INSPIRATION. Many of the new bakery/cafe operators have no doubt been inspired by the success of Boston-based Au Bon Pain, which continues to solidify its position as the leader of this niche. The chain finished '91 with 107 units, up from 86 in 1990. In '92 it plans to open 31 more, including six franchised sites. This will maintain its ratio of about 80% company-owned stores.

In addition, the firm recently signed an agreement to acquire Warburton's English Bakery Group, a 22-unit "English-style" bakery/cafe chain based in Chicago. Most will be converted to Au Bon Pain units.

Au Bon Pain's sales in '91 hit \$80 million. Exclusive of the Warburton acquisition, they are expected to top \$110 million in '92, says vice chairman, CEO Louis Kane. "Our same-store sales are up 6%-8% across the system," he adds.

The company has helped fuel growth with two public stock offerings. Between them, Au Bon Pain raised close to \$50 million to retire its debt and fund further development.

Au Bon Pain significantly expanded its menu to include salads, soups, and sandwich selections. All baked products are prepared from frozen dough supplied by its own central production facility.

Another company that has turned European-style baked goods into good business is Il Fornaio America Corp., San Francisco. Since chairman and CEO Larry Mindel took over the struggling

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Au Bon Pain expanded its menu to include salad, soup, and sandwich selections.

BAKERY

MARKET SEGMENT REPORT

chain of Italian bakeries in 1986, it has grown into a diversified company that combines wholesale bakery operations, retail sales, bakery/cafes, and full-service Italian restaurants. Last summer, the company debuted its newest blended concept, Il Fornaio Cucina Expressa.

The first Cucina Expressa, in Costa Mesa, Calif., provides self-serve counter-service in surroundings that include colorful food displays, indoor and garden seating, and tray counters, tabletops, and floors made of European limestone, plus ovens and cooking island in full view. Offerings include wood-fired rotisserie chicken, pastas, soups, and salads, all moderately priced. It also offers grilled panini and tosti (regular and toasted sandwiches). Breakfast includes a wide selection of breads and pastries, plus heartier items like Italian-style egg dishes and homemade cereals.

Last summer the company opened a new Panificio (wholesale bakery) in Pasadena. The site will be completed early next year with the addition of a full-service Cucina Italiana restaurant, gelateria, and retail bakery. Another new project will open at San Jose's Hotel St. Clair this fall. There Il Fornaio will operate a hotel restaurant, retail store, and handle all hotel foodservice.

Despite the spotlight on baked goods, according to *Bakery Production & Marketing's* "Trends '92" analysis, the number of foodservice operations doing their own baking on-premise is on the wane. More operators are turning to wholesalers to supply their needs.

However, an opposite trend seems to be occurring among family restaurants and moderate check or casual/upscale places, many more of whom have been moving bakery operations to the front of the house. The trend is strongest in the family steakhouse category, where it was pioneered a couple of years ago by Golden Corral, Raleigh, N.C., in some of its "Metro Market" units. Most of these larger operations now have Brass Bell

Bakeries, and the 450-unit chain is starting to add them to some smaller restaurants as well. The display bakeries, which ring a bell every 10-15 minutes as fresh product comes out of the oven, have become a focal point.

WSMP's Western Steer restaurants are also adding display bakeries. Over a dozen locations now have them, and 42 more of its 132 units are due to be retrofitted by the end of the year. In this effort, the Claremont, N.C.-based chain is benefitting from the experience of WSMP's Mom'n'Pop's Bakery Division, a national retail supplier which is helping with the development of their on-premise bakeries.

Ryan's Family Steak Houses, Inc., Greer, S.C., and Sirloin Stockade International, Hutchinson, Kan., are two of the most recent family steakhouse chains to jump on the bandwagon. The bakeries are effective image-builders for the economy steakhouses.

"The bakery adds a halo of freshness to everything in the restaurant," says Stephen Fortlouis, Golden Corral director of marketing.

Particularly in the Southeast, some operators of upscale establishments have recently launched their own bakeries. Last year Buckhead Life Restaurant Group, Atlanta, opened the Buckhead Bread Company adjacent to its new restaurant, Pricci. BBC was developed to supply Pricci and Buckhead's five other restaurants, but it also serves other wholesale and retail customers.

After just a year of operation, the successful bakery is now moving to larger quarters and expanding to add European-style cafe service as well. The menu will include salads, soups, and



Western Steer is adding Mom'n'Pop's Bakeries.

gourmet coffees, as well as creative sandwiches, pastries, and specialty cakes.

Similarly, George Stathakis, owner of Stax's Peppermill, Stax's Grill, and Stax's Omega Diner in Greenville, S.C., opened Stax's International Bakery three years ago to supply breads, desserts, and croissants to his restaurants.

"Baking is a difficult way to make a living. If I could have gotten what I needed from local suppliers, I never would have started the bakery," says Stathakis. Business has been so good that Stathakis opened a second location this year.

Chicago-based Lettuce Entertain You Enterprises, Inc., also got into the bakery business when it opened the Corner Bakery in Chicago adjacent to an Italian concept, Maggiano's Little Italy. "We bake 20 different kinds of breads almost every day, plus cookies and muffins," says managing partner Jennifer Smith.

The Corner Bakery supplies several other LEYE concepts as well as wholesale accounts and retail customers. The store also does a lively eat-in and take-out breakfast and lunch business.

"We were confident in the operation, but the response has been better than we expected, and we're talking about another bakery now," says Smith.

"Freshness" is the watchword and one of the prime attractions of this category.

RB

RESTAURANT BUSINESS

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25TH RESTAURANT GROWTH INDEX

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COVER STORY

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Cover Photograph by William Westheimer

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FOOD AND BEVERAGE

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INDUSTRY REPORTS AVAILABLE

Reprints of the 1992 **RESTAURANT GROWTH INDEX** and 1992 **FRANCHISING REPORT** are available for \$7 per copy. Direct inquiries to Editor Scott Allmendinger, *RB*, 633 Third Ave., New York, NY 10017.

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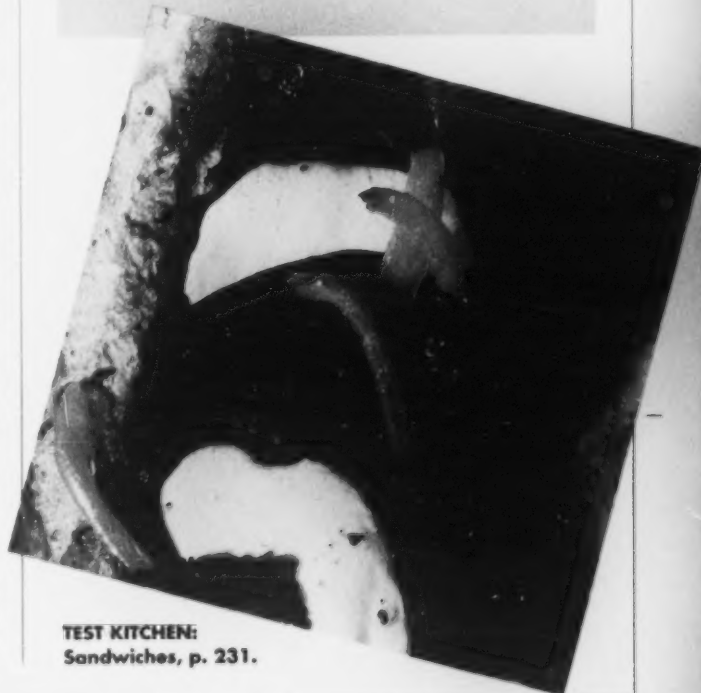
MAJOR FEATURE THE NEXT FOUR YEARS. The Presidential election looms large. Who will the winner be? And, more importantly, how will that impact upon the foodservice business for the next four years and beyond? *RB* makes a close analysis of the platforms and policies of George Bush and Bill Clinton and their consequences for the future.

TEST KITCHEN POTATOES. New twists on old favorites, from a comforting, old-fashioned dish of mashed spuds to an innovative pizza topped with slices.

CHEF'S ART ANDREW SWERSKY. At the Morada Bar & Grille in Boca Raton, Fla.

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25TH RESTAURANT GROWTH INDEX

For a quarter of a century, *RB's* Restaurant Growth Index has served as the barometer of industry activity. Indeed, the RGI comprises the foodservice industry's most comprehensive tool for evaluating segment and geographic potential. As in past years, *RB* presents the RGI in two parts. Part I includes exclusive trend studies of the major market segments and offers an in depth look at their overall sales performance. Part II, the Metro and ADI Reports, encompasses sales and demographic profiles of the nation's 320 Metro Areas and 280 Areas of Dominant Influence of a TV station.

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ADJ. RANKING

ADJ. RANKING

Modest Improvement Seen For Industry

Recession Kept Most Foodservice Sales Stagnant in 1991

After real growth of under 1% in 1990 and 1991, the foodservice industry seems poised to resume a longer-term upward trend. Specifically, the recession-plagued economy in 1991 held total industry growth to just 0.6% in real dollars (as adjusted for inflation), and 3.9% in terms of the recorded (nominal) sales increase.

The *Restaurant Business* forecast for 1992 shows modest improvement in virtually all sectors of the industry with the real growth rate estimated at 2.1%.

There are several reasons to be optimistic about the industry in 1992. First and foremost, the economy seems to be finally improving. The Blue Chip economic consensus projects 2.1% real growth in the gross domestic product in 1992, after a real decline of 0.7% in 1991. Similarly, disposable personal income is forecast to rise 2.2% in 1992, after a 0.1% decline in 1991.

Inflation for food-away-from-home in 1991 dropped to 3.4%—its lowest rate in over 20 years. Inflation is forecast at 3.5% for 1992, which should help operators keep their food costs in check.

Employment, however, remains



Marines in Saudi Arabia, Christmas 1990. Military food sales may drop 5% this year.

weak. After a decline of nearly 1% in 1991, the 1992 forecast shows only slight improvement at 0.5%. Clearly, new entrants to the labor force are growing at a faster rate than the economy can support, as the unemployment rate has swelled toward the 8% mark in 1992 versus 6.7% in 1991.

Eating and drinking places, which account for over 60% of all foodservice sales, had real sales growth of 0.7% in 1991 on a unit increase of 1.6%. Growth, however, has been uneven across the various segments within the eating and drinking place market.

Limited menu restaurants had a real sales increase of just 0.3% in 1991. The sluggish growth is in part due to the "value" meal trend and other discounting efforts. The 1992 forecast calls for much improvement in this segment, with real growth estimated at 4%. Note, however, that 1992 growth benefits from its comparison to a weak 1991.

Full menu restaurants had real growth in 1991 of 1.1%, a modest improvement over the (revised) 0.6% real growth in 1990. In 1992, the segment should continue to improve with growth estimated at 2%.

According to revised data from the Department of Commerce, **separate drinking places** have seem to benefited from the recent recession. Revised

data indicates a 6.8% real growth in 1990 and 2.3% in 1991, making drinking places the fastest-growing segment within the eating and drinking places market. The 1992 forecast calls for more modest growth at 1%.

New to the Restaurant Growth Index this year is the in-store deli segment, part of the **retail market**. Supermarket in-store delis have been among the fastest growing outlets for food throughout the 1980s, with real growth for 1991 estimated at 5%, and for 1992 at 5.5%. Note that only prepared foods—which account for essentially all deli sales with the major exceptions of bulk meats and bulk cheeses—are included in sales figures.

Meanwhile, general merchandise stores, convenience stores and other representatives of the retail market all suffered the effects of the sluggish economy in 1991 and are forecast to return to positive growth in 1992.

Although construction of new **hotels** declined sharply in 1991, occupancy rates at hotels and motels continued to decrease in 1991. According to Smith Travel Research, occupancy rates declined 1.5% in 1991 to 60.9%. Similarly, foodservice sales declined by more than 2% in this segment with high-end, full-service hotels bearing the brunt of the decline. Occupancy



After real growth of under 1% in 1990 and 1991, the foodservice industry seems poised to resume a longer-term upward trend. Specifically, the recession-plagued economy in 1991 held total industry growth to just 0.6% in real dollars (as adjusted for inflation), and 3.9% in terms of the recorded (nominal) sales increase.

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Employment, however, remains



Meals like this Caterair International offering should help boost '92 airline food sales.

FOODSERVICE INDUSTRY SUMMARY

MAJOR MARKET SEGMENTS:	1991 Units	1991 Sales (\$ MM)	1991 Purchases (\$ MM)	1991 vs. 1990 % Sales Growth Nominal Real		1992 Sales (\$ MM)	1992 Purchases (\$ MM)	1992 vs. 1991 % Sales Growth Nominal Real		1997 Sales (\$ MM)	1992 - 1997 % Compound Annual Sales Growth Nominal Real	
Eating & Drinking Places	437,308	178,962	61,304	4.1%	0.7%	190,553	66,314	4.4%	2.8%	268,400	7.1%	7.8%
Eating Places	396,904	166,222	56,845	4.0%	0.6%	177,040	60,655	6.5%	2.9%	251,739	7.3%	3.0%
Limited Service (1)	183,382	78,231	34,362	3.7%	0.3%	85,252	29,428	7.6%	4.0%	127,812	8.4%	4.0%
Full Menu	189,664	79,935	29,576	4.5%	1.1%	84,388	31,388	5.6%	2.0%	114,451	6.3%	2.0%
Specialty Restaurants	2,748	4,709	1,903	6.7%	1.2%	4,975	1,897	4.1%	1.2%	8,423	3.2%	1.0%
Social Caterers	4,100	2,297	804	-3.6%	-6.8%	2,425	849	5.6%	2.0%	3,453	7.3%	3.0%
Business Drinking Places (2)	40,494	12,740	4,689	5.9%	0.3%	13,313	4,960	4.1%	1.0%	18,767	4.7%	0.1%
Retail Market	119,768	17,608	7,307	5.3%	1.8%	18,697	7,783	6.2%	2.6%	26,283	7.0%	2.7%
Grocery Stores	21,824	8,113	3,038	3.2%	0.3%	8,896	3,328	8.1%	0.9%	12,248	3.3%	0.3%
General Merchandise Stores (3)	9,900	1,161	453	1.7%	-2.9%	1,208	471	4.0%	0.5%	1,559	5.2%	1.0%
Drug & Pharmacy	3,700	400	159	3.1%	2.2%	519	183	4.8%	1.0%	527	4.7%	0.0%
Convenience Stores (4)	66,000	6,270	2,194	3.9%	0.5%	6,587	2,305	5.1%	1.5%	8,933	6.3%	2.0%
Other Specialized Retail (5)	14,544	2,662	1,463	2.2%	-1.3%	3,791	1,327	3.1%	0.0%	3,313	3.3%	1.3%
Hotel/Motel Market	25,828	15,037	6,015	1.3%	-2.1%	15,563	6,225	3.5%	0.0%	20,594	5.8%	1.5%
Hotels	15,528	12,843	5,218	0.9%	-2.5%	12,886	5,167	3.4%	-3.1%	17,373	8.2%	1.8%
Motels (6)	10,300	2,497	999	3.0%	-0.5%	2,597	1,039	4.0%	0.5%	3,521	6.3%	2.0%
Tourist Homes (7)	30,906	8,980	2,803	6.2%	3.0%	8,018	3,157	6.6%	3.0%	12,843	7.2%	3.0%
Business & Industry Market	16,830	17,721	8,652	2.4%	-1.0%	18,341	9,170	3.5%	0.0%	24,271	5.8%	1.5%
General Feeding	N/A	3,747	1,341	0.3%	-2.9%	2,834	1,417	3.1%	-0.3%	3,319	4.4%	0.0%
Contract	N/A	14,974	7,311	2.7%	-0.7%	15,507	7,753	3.6%	0.1%	20,752	6.0%	1.7%
Food Service Division	28,772	11,432	5,323	1.8%	0.8%	11,889	5,832	2.1%	0.3%	13,238	3.2%	0.0%
Hospitals - Internal	6,730	5,194	2,510	-0.1%	-2.3%	5,187	859	-0.1%	-1.9%	5,362	0.7%	-1.5%
Nursing Homes - Internal	16,392	3,561	1,821	2.4%	0.1%	3,600	3,558	2.8%	1.8%	4,217	2.3%	0.0%
Hospitals/Nursing Homes - Contract	(8)	2,687	1,282	4.9%	2.6%	2,832	1,408	5.4%	3.6%	4,030	7.3%	5.0%
Primary & Secondary Schools - Internal	19,070	18,562	7,319	3.5%	1.5%	17,208	8,127	4.5%	1.8%	21,341	5.1%	1.1%
Primary & Secondary Schools - Contract	(9)	1,231	619	6.4%	-0.8%	1,221	602	7.3%	5.7%	2,392	6.2%	0.8%
Colleges/Universities - Internal	3,495	3,461	1,505	3.7%	0.3%	3,603	1,567	4.1%	0.6%	4,334	3.8%	-0.4%
Colleges/Universities - Contract	(9)	3,572	1,334	4.3%	1.1%	3,738	1,621	4.8%	1.8%	4,927	5.8%	0.0%
Vending Market	9,450	16,850	7,294	3.9%	0.5%	17,614	7,926	4.5%	1.0%	23,309	5.8%	1.5%
Food Service	(9)	3,416	69	4.2%	0.8%	3,818	816	5.8%	3.5%	5,000	7.8%	3.0%
Military	3,320	3,350	1,675	5.0%	1.5%	3,294	1,647	-1.7%	-5.0%	3,752	2.6%	-1.5%
Other Non-Commercial	43,366	2,895	1,349	6.3%	4.7%	2,874	1,987	7.9%	3.0%	3,399	7.2%	3.8%

FOOTNOTES:

- (1) Includes ice cream and frozen custard stands.
- (2) Units include only bars and taverns that serve food.
- (3) Includes department, variety, and miscellaneous general merchandise stores.
- (4) Includes primarily gasoline stations and traditional c-stores with foodservice.
- (5) Includes supermarket restaurants, specialty food shops (such as cheese stores), and miscellaneous retailers such as liquor and book stores.

(6) Includes motels and motor hotels.

(7) Includes theme parks, stadiums, arenas, tracks, theaters, camps, clubs, etc.

(8) Contract totals are included in the totals for hospitals and nursing homes.

(9) Total unit count is given in the internal total.

Revisions based on "Revised Monthly Retail Sales and Inventories, January 1992 through December 1991"; Department of Commerce.

These estimates for foodservice & industry, health care, education, housing and other sectors have been adjusted to reflect significant consumer expenditures. Estimates include all food and nonalcoholic and alcoholic beverages. Alcoholic beverage purchases have been reported in Foodservice & Industry, Health Care, Education, Housing, Military, and Other Non-Commercial markets only. It does not include retail restaurant sales or include in retail sales. These sales are included in eating and drinking places sales and should not be confused with other market segments to arrive at total market sales. Data due to the inclusion of the beverage and other sales are not comparable to previous years' figures. The estimates exclude vending operations.

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Nursing home food sales kept the health care segment from slipping in 1991.

rates are expected to improve in 1992, which should help the market avoid another real decline in foodservice sales.

The **leisure market** was the fastest-growing major segment in foodservice, with real sales growth for 1991 at 2.5%. While attendance at the country's largest theme parks was flat to down, other sectors of the recreation market continued to show growth. Cruise lines had a 10% increase in passengers, and attendance at most professional and collegiate sports events grew at over 5%. In 1992, the leisure market should continue to show growth of about 3%.

The **business and industry** segment suffered from the decline in total U.S. employment in 1991. Foodservice sales in this market are estimated to have declined by 1% in 1991. Only modest improvement is expected in 1992, as overall employment growth continues to be depressed.

The weak employment picture also negatively impacted the **vending** market as sales inched up only 0.5% real terms in 1991.

While the **health care** market showed positive growth of 0.6% in 1991, that growth is a reflection of the performance of the nursing home segment. Modest increases in hospital employ-

ment were more than offset by continued declines in the average daily adult census—the measure of occupancy at hospitals. Contractors experienced a relatively high rate of growth in the health care market for 1991—5.4%—as they represent an alternative for beleaguered hospital administrators. The forecast for 1992 remains much the same, as nursing homes will continue to provide what little growth there is, and contractors continue to make inroads into this under-penetrated segment.

Both primary and secondary **schools and colleges and universities** had enrollment increases in 1991 in excess of 1%. Schools are benefiting from a slight

increase in school age children, while the recession has been credited with keeping more students at colleges. In terms of foodservice, both segments showed positive real growth of over 1%. Like health care, the rate of contractor growth at primary and secondary schools far outpaces internally run operations.

The **airline** market has been substantially revised this year to reflect actual purchases of food and beverages as opposed to airline payments to food contractors. Data for these revisions is based upon estimates from the Air Transport Association. Despite a decrease in revenue passenger miles in 1991, food expenditures increased nearly 1% in 1991. With a robust rebound in air travel in 1992, foodservice sales are expected to increase 3%.

While the Gulf War provided moderate growth in **military** food expenditures in 1991, decreasing troop strength is expected to reduce food expenditures in 1992 by 5%.

Barring a "triple dip" recession in the fourth quarter, 1992 should prove to be a much healthier year for foodservice with a real growth of 2.1%. Sales are expected to reach \$308.4 billion while purchases increase to \$118.1 billion. By 1997, industry sales are forecast to reach nearly \$425 billion, with a compound annual growth rate of 2.5%.—Technomic Inc.

25TH RESTAURANT GROWTH INDEX LIMITED MENU

Flat as a [Beef] Patty

Limited Menu Sales Growth Sluggish



The limited menu category is not so limited anymore. Lines of definition blur as hamburger chains test pizza, pizza chains try chicken, and chicken chains add buffets.

Many quick-service chains have enlarged menus to attract more customers and expand into more dayparts, especially dinner.

These are not new trends; rather they have become integrated, solid strategies. But, as the McDonald's-types of fast food move more toward full service, upstart chains and smaller operations fill the void.

Market saturation is forcing growth-oriented chains to export units to foreign lands and explore alternative out-

lets domestically. Another strategy is to increase volume through "value pricing." But some analysts feel that this discounting has hindered rather than helped growth.

Real sales growth for the limited menu segment in 1989-90, according to *RB's Restaurant Growth Index*, was only 1.7%; for 1990-91, growth was an even more minuscule 0.3%. The compound annual growth projected for the next five years—4%—was universally considered high by several marketing experts interviewed.

"Basically, last year was flat," says Steven Rockwell, an analyst with Alex. Brown & Co. "I would say, looking at the public companies, that there are two classes of companies. Some companies are doing very well and experiencing pretty good growth, and others are not,

and there's not a whole lot in between. In other words, there are very few companies that fit this average [flat real sales]. I think you've got companies on either side of the mean.

"In general, the fast-food companies last year performed worse than the full-service companies." And where the fast-food firms grew at all, you have to figure in the huge number of new units added, Rockwell says.

Nevertheless, says Natalie Blacher, senior director of marketing, planning and analysis for Burger King Corp., the reality is that people have to eat, and often they have to eat fast. So, unlike the negative growth of more discretionary goods like autos and domestic goods, "We're just maintaining traffic counts. It's soft, but we have not been as hard hit," Blacher says.

"I think people are doing a lot more aggressive things than they've done in the past simply because the marketplace is tougher, the results are tougher to get out of the consumer, competition is tougher, and the growth is not coming as easy," says Brian Dixon, vice president of marketing services for the Long John Silver's chain.

Take PepsiCo for instance, says Dixon, himself a corporate alumnus of the world's biggest restaurant company. In its 1991 annual report released early this year, PepsiCo "very clearly and quite beautifully talked about their penetration strategy: Put a restaurant literally in every possible place that somebody could have a desire to eat," Dixon says. PepsiCo, accordingly, is testing new ideas—from a kiosk selling Taco Bell fare in a KFC restaurant in Mexico City to a Pizza Hut Cafe and fast-food (Fastino's) pizza, both in Wichita. The latest bombshell is that Pizza Huts may soon be selling off-the-bone chicken.

"They're doing all that because their base business is pretty static," Dixon

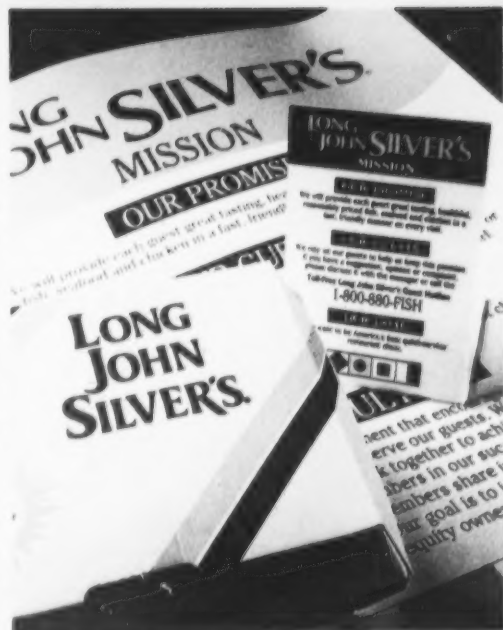
explains, "so unless they go after this revolutionary reach for penetration they're not going to continue to perform with the big numbers they've traditionally turned in."

Bob O'Brien, sales and marketing director for the NPD Group, which publishes the CREST Report, says that in terms of quick service restaurant traffic figures last year, the true front-runners were Oriental and Mexican restaurants, which showed double-digit growth. Some of this may be because of new units, of course, but it also may be true that Americans simply have a yen for salsa.

Pieter Roelofs, president and CEO of Taco John's International Inc., has his own take on the subject: "You've got a cross-cultural society in the United States that is more and more in favor of an accentuated taste profile, which hamburgers cannot fill." Realizing this, hamburger chains from McDonald's to Wendy's are adding Mexican items to their menus.

Menu diversification has fueled many chains. From all you-can-eat buffets being tested by KFC to McDonald's pizza, expected to go systemwide next year, lots of chains are expanding their menus. The question is, how far will it go? NPD's O'Brien thinks the trend may have peaked: "New products are not as hot an issue as it was two or three years ago."

Analyst Rockwell agrees, but forecasts "a wider disparity among fast-food operators with some, like McDonald's, moving closer and closer to a coffee shop or full-service restaurant."



Long John Silver's execs say aggressive action is needed.

rant." That begs the question, Roelofs says, of whether a quick service restaurant, which is basically "a production institution," can produce the requisite quality.

David Salyers, director of marketing for Chick-fil-A, Inc., doesn't think so, noting that his chain recently asked focus groups if it should diversify into burgers. The answer? "They didn't want us to try."

The strategy behind many menu expansions is to draw in more customers for dinner. "I think a lot of people are seeing that as a big opportunity for the future," says Salyers, adding that Chick-fil-A is working on the daypart. So are other chains—buoyed by the success of the casual dinnerhouse segment. And everybody's watching McDonald's test of chicken and pasta.

But pessimism remains. "Wendy's has failed in its approach to dinner," Long John Silver's Dixon points out. "People will probably try, but the dilemma is, once you have positioned yourself in one piece of the perceptual map of restaurants, it is pretty hard to break out. I can't perceive myself saying, 'Let's go to dinner and have a McDLT along with a side of baby potatoes with tarragon butter sauce.'"

Moving into the gap left by McDonald's and others' maneuvers toward the full-service sphere are the dou-



Chick-fil-A asked focus groups about adding hamburgers to the menu. The response: Don't do it.

ble-drive-thru chains. These are chains that have gone back to the traditional burger stop. While a chain like Long John Silver's is moving from its semi-dinnerhouse image to more of a fast-food concept via drive-thrus—Dixon says LJS's is installing them "as fast as we can build 'em"—Rally's and Crystal's are doubling them for good measure. Drive-thru-onlies, with very limited menus, are putting the "fast" back into fast food.

With near-saturation in the domestic arena, many chains have found opportunities abroad. The rush toward international expansion is an obvious direction, Dixon says, "when you can virtually go into Russia and position one thing and have people standing in line literally all day to get one hamburger."

Soft unit sales, rising real estate costs, and near-saturation in many markets are driving the search for alternative sites in college campuses, movie theaters, hospitals, airports, and factory worksites. Carts and kiosks go where full-size units can't. Other outlets include such relatively untried concepts as "express" units, delivery scenarios, and multi-menu food courts.

"The word has been new 'points of distribution,' but it really ends up being new 'points of access,'" says Daniel Gallery, executive vice president of the leading manufacturer, Carts of Colorado Inc. "That can mean anything from a cart to a kiosk to even a vending machine in the future."

And given the shift toward brand-name foods at contract feeding sites, quick service restaurants are buying up all the kiosks in sight—so much so that the current 10% to 20% share of kiosks manufactured for quick service restaurants will "shift dramatically," Gallery predicts, to a 60% to 70% share within the next two years.

Yet what's inevitable for quick service restaurants straining to grow in an era of zipped pocketbooks is more and more cannibalization of sales, even among the units of the same chain. As Taco John's Roelofs points out: "The whole game of the big boys is market share, and so even though you're flat but you have more units, that means that your market share is increasing."

If you can't open new outlets, the alternative strategy is to work to keep the customers you do have coming back; and there are new ways to compete here. Says Salyers at Chick-fil-A, "We're finding more and more that people are trying to grow through new products rather than new outlets." And new services.

Home delivery is a current hot button. It's coming, say observers like Jeff Lawson, senior director of market

research for Pizza Hut. "Things like being able to call ahead, having reservations for delivered food," he predicts. "In the future an enormous array of things will be delivered—delivered well, delivered quickly—and technology will be brought to bear so those foods taste almost as good as they would in a [restaurant]."

Value pricing is one of the most controversial tactics. Pioneered by Taco Bell, many chains found the competition so persuasive that they were forced to follow suit. "It's not only the norm, it's essential for survival," Rockwell says. But most marketing sources say that temporary rock-bottom deals, such as Taco Bell's Fiesta Menu, featuring items as low as 39¢, just don't work and actually undercut other discounts.

"I don't think everybody has to turn into a Wal-Mart or a price player; in fact, I think it will be the death of many concepts if they try to compete on price," says Pizza Hut's Lawson. Accordingly, Burger King's Blacher

says to look for ongoing discounts like BK's combo meals; Taco John's Roelofs says the same of his company's "traditional values" offerings.

There are also quick service challenges, like the dilemma BK's Blacher describes of recruiting computer-literate workers, or the complexities others say are inherent in the Americans With Disabilities Act and environmental regulations. "Absolutely, the government is getting much more intrusive, and it's becoming increasingly costly to run a business," Rockwell says.

Finally, the successful chains have never forgotten that the customer comes first and they continue to develop new services.

Eager to let customers have a say, several chains, like Burger King, Taco Bell, and Long John Silver's, have instituted "800" numbers—LJS's gets 4,000 calls a month. In-store posters, tray liners, and mission statements on tables and servers' caps reinforce the message that someone cares. —Joan Oleck

25TH RESTAURANT GROWTH INDEX FULL MENU

So Bad It Must Get Better

Casual is the Catch Word for Full Menu Growth



the answer is, "There's got to be."

"Recessions can't last forever," says

Robert Gilka, vice president of marketing for Spaghetti Warehouse. "People will have to get out or they'll go stir crazy."

As the recession wore on last year and customers took cocooning to new heights—some call it "burrowing"—restaurant growth came to a near standstill. Full menu restaurants showed real sales growth in 1991 of 1.1%, and that was an improvement over the prior

year's dismal 0.6% real growth, according to *RB's* Restaurant Growth Index. But the Index paints a somewhat brighter outlook for 1992 and successive years in the '90s—with compound annual growth projected at 2%.

"There's optimism," says Gilka, whose own Garland, Texas-based chain struggled hard to meet company projections in the last year by increasing



Lone Star Steakhouse's menu addresses new consumer demands.

Entertainment is
the drawing card
for most diners
at The Beach
Boys Cafe.



Services in Rancho Palos Verdes, Calif. Consultant Lowder points to the crowds at Hard Rock Cafe and Planet Hollywood as well as The Beach Boys Cafe in Hermosa Beach, with dining, dancing, Beach Boys memorabilia, and live entertainment. A new "down-scale" fine-dining spot in Santa Monica called Restaurant Bikini, she notes, is "packed."

Operators believe you can't go wrong with Italian, either. It's one of the most popular ethnic cuisines, and under-penetrated by the chains. General Mills' Olive Garden, the only serious nationwide

the number of price-oriented meal deals. "You had to reach out and pull people out of their houses," he says. "It was a rough—very rough—year."

Even the battered fine-dining sector, which has experienced declining traffic counts for the last few years, is showing signs of a recovery of sorts.

"Fine dining in the last quarter stopped collapsing," says Bob O'Brien, director of sales and market development for NPD Crest in Park Ridge, Ill. He says traffic counts were "flat" rather than down in the quarter through last May.

The best news is on the casual-dining front—widely considered the most thriving segment of all the fullservice restaurants. Customer traffic in the same quarter that showed fine dining to be flat was up 9% in the casual-dining segment, according to NPD Crest figures.

What's more, traffic counts at casual restaurants had been growing over the last four quarters while fine-dining counts had been dropping.

Coffee-shop restaurants like IHOP, Denny's, and Coco's benefited from recession-inspired trading down while chains such as Outback, Lone Star, and Cracker Barrel filled unmet demands by consumers for large portions of low-priced American-style meals.

The casual trend is expected to continue in the foreseeable future. "Our growth and most of the growth in the industry will be casual," says Gerard Centioli, partner and division president for Lettuce Entertain You Enterprises in Chicago, which owns three fine-dining restaurants in the Windy City, but has many more casual concepts.

When operators—both chain and

independents—do look to expand, the big question is not whether to open a casual restaurant, but rather what kind of casual format.

Some industry advisers suggest that it may be time to bring back atmosphere akin to Saturday Night Fever. Americans, they reason, have been cooped up in their homes worrying about their shrinking incomes and the future of the world long enough; it's time to party.

"When they do go out, they will want to be entertained," says Janet Lowder, president of Restaurant Management

Italian chain contender, continues to grow at a record-breaking clip.

Other chains have taken the cue. Pizza Hut is experimenting with a "cafe" concept and PepsiCo bought into a popular West Coast designer pizza chain, California Pizza Kitchen. Brinker International continues to experiment with new Italian concepts. Average annual sales of its relatively newest chain in the making, Romano's Macaroni Grill, are about \$3.5 million.

Centioli says casual Italian is the most popular of all Lettuce Entertain You's concepts and says that its two rel-

Big portions at low prices is the strategy for chains like Outback Steakhouse.



actively new casual restaurants in that category, Maggiano's Little Italy and Tucci Benuech, will be expanded to the suburbs.

By moving into the suburbs for the first time, LEYE will go head to head with the national chain restaurants. It will no doubt be interesting to track the dynamics of that move since, as Centioli points out, independents have historically done well in the cities while chains cover the rest of the map. But chains, such as Pizzeria Uno, Chili's, and Olive Garden, are also moving into the cities.

Technomic Inc.'s Nancy Kruse says chains will find it difficult to take business away from strong casual independents such as Rich Melman's restaurants in Chicago or the Pano Karatassos' stable of casual eateries in Atlanta such as Pricci and the Buckhead Diner.

Chain penetration into the casual category is relatively low compared to the casual activity by independents. And



Maggiano's Little Italy with its corner bakery is moving to the suburbs.

PHOTOGRAPH BY BOB FRA/CHICAGO TRIBUNE

& Co.: "They've eliminated three lunches a week at McDonald's but they still have a need to go out. They'll spend \$8 at TGI Friday's for a beer, a better product, and service." Adds Kruse, "I believe there will be a rising demand for fullservice."

Customers will continue to look for value experiences when dining on a frequent basis, say industry pundits. And traditional fine-dining establishments just don't give the value they want.

To get around this dilemma for customers who nevertheless have high food expectations, many "casual" restaurants are trying to be more like fine-dining ones. This is making for a peculiar phenomenon: a blurring of fine-dining and casual restaurants, especially as it relates to food.

"What we're trying to do now is find fine food in a casual environment," says Centioli.

For example, Lettuce Entertain You's Greek restaurant, Pegasus, is an attempt, says Centioli, "to serve the finest Greek food in a casual-service style."

But will customers return to high-priced fine-dining restaurants? This dining category is the biggest victim of the recession. The country is littered with fine-dining casualties, from the well-known L'Hermitage in Los Angeles to Maxim's in New York City.

"Fine dining may have been wounded but I don't think it's dead," says Fred Sampson, president of the New York State Restaurant Association, who notes the "institutions" such as Lutece, "21" Club, the Quilted Giraffe, and Le Cirque are surviving nicely, thanks to special occasion and expense-account business as well as loyal regulars.

"Maybe it won't proliferate. But it'll never go away," adds Charlie Trotter, owner of the acclaimed fine-dining restaurant Charlie Trotter's in Chicago. He notes that "modern" new establishments like Patina in Los Angeles, Bouley in New York, Red Sage in Washington, D.C., and a Mano in Miami Beach have stepped in to fill the void left by the closings of "tired" French restaurants with names like "Chez this and Chez that."

"What I don't see in fine dining is growth," says Lettuce Entertain You's Centioli. "There's no way someone is going to go out and build 100 fine-dining restaurants." But the fine-dining restaurants vying for customers' dollars will, says Gilka, "let their hair down a little."—Marilyn Alva



It's still called fine dining, but the concept has been downscaled at places like Restaurant Bikini.

the casual category is almost virgin territory for chains when compared to chain participation in the fast-food arena, now at or near saturation levels. Thus, there will be real growth potential for chains in the casual segment.

But they won't take over the market. "Independents control the major share of the casual segment. They will hold onto that majority share for the foreseeable future," says Kruse.

But the chains will be nipping at the independents' heels. "As chains reach maturity in quick service, they'll look for areas where they can logically grow. Certainly the midscale casual fits that bill," says Kruse.

Whatever the players, demographics will give a boost to the case for casual dining: aging baby boomers are not only trading down from fine-dining but trading up from fast food.

Says Steven Rockwell of Alex. Brown



It's expected that full-service restaurant chains will have a tough time against strong independents like Pricci in Atlanta.

PHOTOGRAPH (LEFT) BY ALAN MCGEE, (FAR LEFT) BY LOS ELEN FRANK

Lines Have Been Shorter For Cafeterias

Chain Executives are Seeking New Concepts to Bolster Sales



Three of the five largest cafeteria chains—Furr's/Bishop's, Piccadilly and Wyatt's—now have new presidents. These, among other executive changes, might be tagged to the fact that customer counts are down at most chains, as are same-store sales. Additionally, some cafeterias are being shut down, and others are being refitted for other foodservice uses.

"We have seen years where the segment has grown faster, so I can't say business is booming," says Brian Von Gruben, executive vice president and marketing director for Baton Rouge, La.-based Piccadilly Cafeterias Inc.

More dour in his assessment is Ralph Erben, president and chief executive officer of Lubbock, Texas-based Luby's Cafeterias Inc. in San Antonio. "At many of our ideal locations we had almost been isolated foodservice providers," he says, "but now we're being rimmed by competitors. It's like the Indians circling the wagons."

Despite the bleak perspectives, *RB's* Restaurant Growth Index found that among the four categories of separate eating businesses—the others being limited menu restaurants, full menu restaurants, and caterers—public cafeterias showed the most significant growth in terms of real-dollar sales in 1991, up 1.2% from the previous year.

Still, the segment is being hurt by the growing number of steakhouses and all-you-can-eat places, though cafeteria chain executives want to believe these competitors only pose a short-term threat. "In most instances, within a year, we regained what we lost," Erben says.

Just the same, cafeteria chains are planning new strategies. Luby's is about to pump up its marketing effort. Furr's/Bishop's is positioning itself as the "all-you-can-eat" cafeteria and trying new concepts, such as its three El Paso BBQ restaurants and four Zoo-kin's.

Piccadilly now seems focused on rethinking recipe changes of recent years, in an effort to play up quality and value. "If we made a change that wasn't done strictly to improve the product, we're going back to the old

recipe," Von Gruben says.

Barring economic miracles, cafeteria chain executives don't expect rapid growth in the near future. Still, there will be some new stores built, and not necessarily only in the South where most cafeterias are currently concentrated.

"There are definitely some new



Furr's/Bishop's is positioning itself as the "all-you-can-eat" cafeteria.

areas in our future, especially those adjacent to where we're at now," Erben says. —Don Nichols

SOCIAL CATERERS

Lavish Spreads Fade Away

Caterers Take a Big Hit During Recession



The recession hit catering businesses with a wallop last year. In fact, among all the separate foodservice categories analyzed in *RB's* Restaurant Growth Index, none fared worse than catering—which registered a decline of almost 7% in real dollar sales from 1990 to 1991. Reduced spending by corporate clients appeared to be a major factor.

"When businesses started suffering economically, catering was one of the first things they cut," says Gayle Skelton, president of A Catered Affair in Dallas. "They're still spending money, but not anywhere near like they used to."

Caterer Jerry Edwards,

owner of Chefs Expression in Baltimore, illustrated the corporate cut-backs: "One client who spent \$23,000 on an elaborate Christmas party in 1990 was only willing to spend \$2,000 this past year."

In trying for a rebound, caterers are employing a variety of tactics. Edwards, for example, has put more emphasis on weddings and social functions—business which now accounts for 65% of his sales, compared to just 30% three years ago. "I probably wouldn't be in business today if I hadn't gone after those new markets," he says.

To trim operating costs, many caterers are striking partnerships with their competitors. In Atlanta, it's an option that appealed to Murphy's Catering, which now operates as Murphy's and Tuohy's Catering. "For us, there's strength



Caterers Murphy's and Tuohy's joined forces in Atlanta.

For more information on Coca-Cola circle number 23 →
RESTAURANT BUSINESS/SEPTEMBER 20, 1992

in numbers, plus now we only have overhead for one kitchen instead of two," says Shelley Pedersen, special projects director for the merged company.

One development that has caterers reaching for the antacids is the new interest by hotel owners—also big losers in 1991—in providing outside catering. "They can do off-premise catering cheaper because they own all their own equipment," Skelton points out. But he says that problem may disappear when the economy is revived. "Hotels still think off-site catering is a pain in the back."

Assuming the recovery does occur, the Restaurant Growth Index projects a 3% compound annual growth in real sales over the next five years—better than today's market, but hardly enough to compensate for the tough times caterers endured in 1990 and 1991.

As for future trends, some caterers predict that their businesses will eventually be "legitimized" through state-mandated licensing, a move which may eliminate borderline operations. Some also envision more cooperative buying from vendors and buying ready-made food products from other caterers. "Caterers will be trying to work smarter," Pedersen says. "If they can buy a top-quality product, they may not go through the mental anguish of making it themselves."—Don Nichols

25TH RESTAURANT GROWTH INDEX SEPARATE DRINKING PLACES

Drinking Place Future Dim

Country's Anti-Alcohol Mood Taking Its Toll



The nation's separate drinking places—bars and taverns that serve food, but mainly alcoholic beverages—face an ominous future. Numbering just over 40,000 establishments, food sales at drinking places rose by 2.3% in real dollar terms last year. But even that tepid increase is better than the paltry 0.5% sales growth projected for the segment during the next five years in *RB's* Restaurant Growth Index.

Reduced alcohol consumption, rising costs of business, and increasing social and regulatory pressures all have taken their toll.

In the Chicago neighborhood where Bruno Roti operates his Bruno's Lounge, for example, 11 other taverns folded during the last decade. That has meant more business for Bruno's, but profits are scanty because liquor license renewals, liability insurance, rent, and inventory costs are up sharply.

"I make less profit selling a shot and a beer for \$3 today than I did for 60¢ in the '50s," says Roti.

The decline of drinking in general is the biggest blow, says Gary Roberts, owner of Ye Olde Style Inn in La Crosse, Wis. In 1978, Roberts' Saturday morning "cartoon club" would rake in \$1,000 with 50¢ Bloody Marys. "Today, people would look at that as anti-social," he says.

Roberts has survived lower bar sales by making the Inn a sports bar with 10 TV screens and by adding hot food. "If I had to rely on beverage, I would have closed a long time ago," he says.

Live Irish folk music and locally made beers are keeping Michael Beglin in business at the East Avenue Tavern in Portland, Ore. "You have to compete much harder for a shrinking number of customers," he says.

And at Chicago's Amber Lantern, owner Carl Watson lays the blame on politicians for increases in alcohol taxes and tough drunk driving regulations. "People aren't coming out like they used to," Watson says. "[Illinois Gov. Jim] Edgar and [Chicago Mayor Richard] Daley are running the small guy out of business."

Often it is the thriving watering holes that are the most at risk from this anti-alcohol mood. Residents of Halsted Street in Chicago who are fed up with noisy and rowdy bar patrons have filed a petition to vote the precinct dry. Passage would cripple the popular nightlife strip. To date, a quarter of Chicago's 2,900 precincts have gone dry.

Attrition will continue in drinking places in coming years. Many older Mom and Pop operators would love to sell their businesses, but there are no buyers. So they hang on for retirement, prisoners behind bars.

Randy Bilderback puts in 80-hour weeks at Randy's in Chippewa Falls, Wis. "Used to be, you could afford to have someone work for you, but not anymore," he says. —James Scarpa



Carl Watson, owner of Chicago's Amber Lantern, says tax-raising politicians hurt businesses like his.

Mail Maul

Tight Purse Strings Tie Down Consumers' Spending Habits



How do you succeed in retailing when shoppers won't let go of their dough? That's the concern retailers face today as debt, job worries, and declining real wages make consumers reluctant to spend money on meals and merchandise alike.

Retail foodservice had overall real growth of merely 1.8% in 1990-91. Although that's projected to improve to 2.7% in 1992-1997, few retailers are cheering.

"You keep hearing about recovery from the recession, but honestly, I see no change," says John Lovelace, director of foodservices for Minneapolis-based Dayton Hudson department stores.

However, some retailers are finding opportunity in the age of tight spending. Certain mega-malls, mass merchandising stores, supermarket delis, and innovative department store restaurants are ringing up sales with a variety of come-ons—convenience, brand-name foods, even recreation and entertainment.

With last month's opening of the Mall of America in Bloomington, Minn., there was speculation about whether

the country's first "mega-mall" will start a retail trend or be a massive white elephant.

West Edmonton Mall in Edmonton, Alberta, Canada, coined the term mega-mall for a huge hybrid regional shopping center and an amusement park, in which recreation and dining are as much a draw as shopping.

West Edmonton Mall has averaged more than 20 million annual visitors since opening a decade ago. The 5-million-sq.-ft. complex includes 800 retail stores, an indoor tropical water park, an amusement park with roller coaster, an aquarium, an ice skating palace, and 110 restaurants and nightclubs.

Mall of America has 4 million sq. ft. and space for 370 stores, when fully leased. It also has a Knott's Camp Snoopy amusement park. Like West Edmonton, it positions food as a draw, with 70 foodservice outlets.

Among well-known restaurant operations involved are Richard Melman's Tucci Bennuch, Wolfgang Puck's California Pizza, Ruby Tuesday, Boogie's Diner, Hooters, California Cafe, and Fat Tuesday.



Will "mega-malls" like Minnesota's new Mall of America start a trend or become white elephants?

Pre-opening hype by Edmonton-based developer Triple Five Corp. has Mall of America projections beating Edmonton's attendance numbers. But skeptics question whether the promised hordes of visitors will be drawn to wintry, non-touristy Minnesota.

They also wonder if customers will ultimately find the monster mall overwhelming and inconvenient after the novelty wears off.

So far, that hasn't happened at Gurnee Mills. The 1.7-million-sq.-ft. discount outlet center north of Chicago just recently turned one year old and notched its 15 millionth visitor. That makes it the biggest tourist destination in Illinois, claims its developer, Western Development Corp. of Washington, D.C.

Gurnee Mills' two food courts, one themed as a 1950s drive-in, the other as a Midwest county fair, help patrons

Knott's Camp Snoopy at Mall of America.

shop without dropping for hours at a stretch, says the company's Carole Asher. "We treat food courts as anchors while other malls put them in the worst spots," she says.

However, in hypermarkets, bigger isn't better—it's a curse.

The hypermarket idea originated in Europe in the 1980s, where it's a smash. They are 200,000-sq.-ft. to 300,000-sq.-ft. temples of one-stop shopping—offering everything from a cheeseburger and fries to automobile tires and compact disc players—all under one roof.

But they're a flop in the States, perhaps because U.S. customers lack the stamina to trek through the daunting hangars. It's also too costly to staff them with hundreds of employees.

Even accomplished retailers like Wal-Mart and Kmart have decided not to expand into hypermarkets after testing a few.

On the other hand, warehouse membership clubs, which typically run about 100,000 sq. ft. in size, have been much more successful—perhaps because the self-serve aspect of the concept cuts labor costs. They grew 34% to \$29 billion last year, according to a study by New York City-based Packaged Facts Inc.

They offer below-wholesale prices on a wide range of merchandise to a membership limited mainly to union members and the self-employed.

Some, like Sam's Club, a 200-store division of Bentonville, Ark.-based Wal-Mart Stores, dabble in foodservice too. Sam's "Pete's A Club" stand offers freshly baked and take-and-bake pizzas at rock bottom prices—only \$5.21 for a 14-in. pepperoni pan pizza.

Full-line department stores have struggled in recent years, with bankruptcies and consolidation commonplace. Bloomingdale's parent recently emerged from Chapter 11; Macy's is still trying to get out.

But Dayton Hudson Corp. has kept a strong franchise in the Midwest. One of its strategies is to stay on top of consumer eating trends.

"We're not your typical old department store tea room," says Dayton Hudson's Lovelace.

The hottest new food trend at



The mammoth Gurnee Mills discount outlet center north of Chicago boasts two food courts.

Dayton's today is juicing. The company recently remodeled a frozen yogurt stand in the Marketplace carry-out food level into Yogurt and Juice Express. It's doing a big business in eight flavors of freshly squeezed juice, including orange, carrot-parsley, apple-carrot, and citrus blends.

Also eyeing the trends is the Nordstrom department store in Oak Brook, Ill. "We've been able to keep the restaurants very full at lunch, and raise dinner business 30%," says director of foodservice John Clem.

He gives much of the credit to lighter menus, with dishes such as Oriental shrimp salad, a combo of Caesar or spinach salad and cup of soup, and the Pub's new harvest burger, made with ground turkey. "It's a tremendous seller," says Clem.

Macy's financial woes haven't stopped Wolfgang Puck's California Pizza from becoming a hit. The eat-in and carry-out pizza and salad boutique is one of the highest grossing departments per square foot in the San Francisco Macy's.

Macy's plans to expand Puck's pies to its other stores, including its new anchor in the Mall of America.

Restaurant operators have nervously watched improving supermarket deli food siphon away sales in recent years. That's what inspired the Supreme Court concept, a food court-type collaboration between restaurateurs and supermarkets.

The first Supreme Court, which opened early this year in a Price Chopper store in Kansas City, features food kiosks by Godfather's Pizza, Chi-Chi's Mexican Restaurants, Bennigan's, Ricky Shaw's Oriental Express, Fifth & Grand Sandwich Shop, and Wingers, a chicken concept.

Consumers accepted the court from the beginning, says developer Victor Cascio. In its first few months, takeout and on-premise restaurant food sales exceeded 4% of the supermarket's total sales.

The second Supreme Court will open in a Cleveland supermarket soon.

The two largest convenience store chains haven't invested much in new foodservice lately. They're still recovering from their 1980s leveraged buyout binge.

Southland Corp., parent of segment leader 7-Eleven, is still struggling after emerging from bankruptcy last year. The company announced in August that it had lost \$17.9 million during the second quarter this year, and that it will cut 1,800 jobs.

Bankruptcy proceedings ended in August for number-two chain Circle K when the court authorized a \$402 million buyout of the company by an investment consortium called CK Acquisitions. A new business plan will pump \$300 million into modernized facilities and foodservice equipment for Circle K, but will necessitate closing 1,500 of its 3,700 stores. —James Scarpa

There's Been Too Much Room At The Inn

Hoteliers Begin Playing the Food Game with New Rules



No one in the hotel business, least of all the hotel restaurateur, needs to be reminded that these are troubled times. With the supply and demand balance badly out of line, the hotel sector has had a rough ride for several years and there are few signs of an upturn soon.

True, percentage occupancy for the first five months of this year was up 2.9% over the same period in 1991, according to Smith Travel Research. But with occupancy levels still hovering below the 60% mark, that is hardly a statistic to send hoteliers dancing into the streets. Just as significant an index of industry confidence and health is that room rates inched up a mere 0.7% over the same period.

Hotel food and beverage operations are also under pressure. Inevitably, the effects of the recession—characterized most notably by an almost audible tightening of belts across the country—have worked their way through to hotel restaurants.

Equally important, the '80s boom in

free-standing restaurants has wound up the competitive pressure to a new level. With more food outlets competing for a shrivelled customer base, the rules of the game are changing fast.

As many hotel food and beverage executives freely admit, the sector has in many cases been slow to adapt, or has been misguided in its response to those changes. The signs now, though, are that the industry has woken up to the challenge.

Certainly, judging from a series of interviews with hotel food and beverage directors around the country, there is no shortage of realism about the problems ahead. Most believe that any upturn is unlikely to come soon, and that when it does come, it is unlikely to return the industry to the giddy heights it once occupied. In short, the boom times are over.

Says Sean Handerhan, marketing director for food and beverage at Marriott Hotels: "From a restaurant standpoint, we have had a very flat to downward trend for five years or so." He says Marriott was somewhat more pessimistic about conditions than the Restaurant Growth Index forecasts for this year (flat sales) and for the next five years (average annual increases of 1.5%). And he adds that "we can't assume that [the market] will return to its previous condition. The scale of the downturn has forced us to do some real heavy gut checks."

Robert Dallain, vice president for food and beverage

at Hyatt Hotels & Resorts, sees the market's immediate prospects in similar terms. "The future is not as bright as many people think. It will be 1994-95 before the glut of rooms eases off. And it is going to be very difficult to compete with the restaurant across the street. Our numbers have been going down since 1985." Over the next two years, he says, "I don't know if we will pick up much, but we should be able to stop the hemorrhaging."

Dallain is scathing in his remarks about how the sector has addressed its problems. "I believe we priced ourselves out of the market," he says. "We were losing covers to the freestanding restaurants and we reacted by increasing prices." He also cites complacency. "With breakfasts, we said, 'We have a captive market here.' Well, obviously we don't."

Dallain's answer when he took over at Hyatt a year ago was "to reevaluate everything," with goals of eliminating waste, cutting costs, and streamlining the system. "We had high inventories, what I would call ego wine lists, and if you ordered a Bloody Mary, you'd get an entire salad with it."

He moved to standardize menus and wine lists, eliminate "dead stock" and promote the Hyatts regionally. In line with a continuing industry trend, he also acted "to eliminate fine dining and replace it with specialty or regional cuisine," and to introduce deli-type coffee shops and theme bars.

He claims several successes: food costs are down 2%; average checks are up; and covers have increased slightly. But, typically, the recession continues to hold Hyatt back. Dallain concedes: "People just aren't spending, and that goes for corporate and leisure business."

Marriott's response, according to Handerhan, has been "to get



A food and wines portfolio for Marriott, where sales trends have forced "some real heavy gut checks."

back to real needs—service, food quality, and execution. We are less inclined to spend on superficial initiatives. We can't assume that reinvesting capital in, say, a new decor package is going to reap returns."

Handerhan adds that Marriott is working "to make sure every item on the menu is priced competitively." Its Taste of America program also aims to produce "regional cuisine that incorporates food we think is the future in terms of what the customer wants, and being easier to produce," he says.

The move to more casual dining is almost a universal credo in U.S. hotel restaurant operations, and coincides with a realization that, as Peter Kleiser puts it, "you have to be market-driven. We are working to understand what the customer wants, where before we used to decide for them."

Kleiser, senior vice president for food and beverage at Hilton Hotels, cites "our coffee shops which offer food from around the world—sushi, Italian, Mexican, and Japanese buffets in places like New York or Hawaii, where we have a lot of Japanese business." He also sees an increase in room service revenues. "Especially in recessionary times, everyone works long hours and more people tend to work in their rooms."

Understanding customer needs, as Martin O'Dowd, director of food and beverage at Holiday Inn, points out, requires research and more research. Holiday Inn has acted on its findings to make major changes to its restaurants and menus. He cites a Southern country breakfast introduced at its Briley Parkway hotel in Nashville that "increased our breakfast capture factor by 13%."

He is another who believes that "we won't ever get the high prices or the gross sales that we used to. I do see some return to elegant dining, with upscale chefs coming into the grand hotels. But that will be at the premier properties. It won't be an industry trend." He adds his belief that hotels must now fight even harder to compete.

"Hotel restaurants used to take a lot of revenue from the breakfast market," O'Dowd says. "Now every gas station does breakfast. And anyway, in trying to make a difference, a \$3.75 breakfast is not going to do it. The only opportunity for us to outperform the trend is in catering and room service."

So, Holiday Inn is going hard after the wedding and reunion markets. This year, it launched a new wedding pack-

Westin's "Paso del Norte" is an example of the trend by hotels to implement regionalized cuisines.

age that generated \$500,000 in business in its first 90 days. O'Dowd notes that in addition to the immediate return, an average wedding also generates seven sleeping rooms for the hotel. Holiday Inn is also about to launch a new drive into the reunion market, whether class, military, or family.

The banquet business has long been a dependable earner for the major hotel chains, but it, too, has suffered the withering impact of the recession. Kleiser of Hilton notes that "the conventioners are cutting back. There are less sponsored parties and more conventions are letting attendees fend for themselves." The woes of the banking industry have also taken a toll.

Hilton's restaurant sales dropped sharply last year, from \$1.2 billion in 1990 to \$1.1 billion. This year, sales figures are running stable. As Kleiser says, "where we had seen increases of 10% a year, the market just turned flat on us."

At the same time, Hilton's performance has benefited from tight cost control. Says Kleiser: "We have a lot of pricing programs. We are buying better and smarter, and because of our size we have a lot of buying power. We also have a co-owned equipment corporation, which helps a lot."

Labor costs are, by general agreement, the major impediment to cost control in the trade, and the most intractable. As Kurt Fischer, vice president for food and beverage at Westin Hotels and Resorts, puts it: "The industry has to realize that if it can't rein in labor expenses, it won't be able to compete with the freestanding restaurants."

At Radisson Hotels International, Jim Callaghan, corporate director for product research and development,

says the company is countering high benefit and tax costs by "becoming more sophisticated in forecasting the peaks and valleys of business." It is also buying more "convenience items to cut labor, and reevaluating our bake shops."

Holiday Inn is beefing up staff levels in areas where staff has direct access to customers, and giving them more decision-making power, while thinning out the ranks of management. And Handerhan says Marriott is following a similar strategy, reducing labor "allocated to menial tasks. If we can have outside people, say, make pre-prepared food to our specification, we will."

Westin's Fischer argues that "the next few years are definitely going to be tough. The customer is more aware of value than ever before. And the industry has just taken too long to realize that." At the same time, he criticized the "short-sighted" hotels which had put food and beverage "on the back burner."

Food and beverage can be one of the most profitable areas, and it will determine (many hotels') success in the future," Fischer says. "There will be too many rooms for a long time, and companies will have to look elsewhere to make money. It is very simple."

Many food and beverage executives are banking on that, and it is a prime source of whatever optimism they have for the future.

As Handerhan puts it: "We see the changes we are making as a result of the recession as long-lasting. When the market expands, we will be in a better condition to grow than we are now. This is a great mid-course correction for the company."

—John McLaughlin

Heading For The Great Outdoors

Leisure-Time Foodservice Adapts to New Times



Leisure time, that dwindling commodity of American life, is being spent more and more in the great outdoors, according to experts from the recreation industry.

Witness the 69% jump in recreational vehicle orders for the first quarter of 1992 versus the same period last year.

The Great Smoky Mountains or the Pacific Northwest are the hot places to go, and it makes sense. Most families can't arrange as much time off or travel as far. The average vacation in 1991 lasted just 4.2 nights, and the average distance traveled was a mere 808 miles, according to the U.S. Travel Data Center.

Not surprisingly, KOA Campgrounds Inc. reports a steady increase in tent counts at its 600 outlets nationwide. And Joe Horvak of the Travel Data Center adds that, "The National Parks for the past several years have been experiencing a 3% rise in summer visits. This will be the fourth consecutive year.

"Over the whole year, [the national parks] are expecting about 270 million people," Horvak says. "With that goes hand in hand an outdoors thing. The trendy thing now is the environmentally conscious vacation—low impact camping." When it comes to eating out while camping out, "environmental correctness" these days means developments like mandatory refrigerated garbage rooms for food concessions at Yellowstone—bear country—and the campaign to phase out plastic-foam cups in the national parks.

The parks are also the site for the recent business development that had Matsushita Corp. purchasing MCA, which owned the parks' best known concessionaire, Yosemite Park and Curry Co. This meant Japanese control of an \$80-million-a-year operation just down the road from the giant sequoia groves and the Old Faithful geyser, and Washington was not pleased. So Matsushita bowed out and allowed the National Park Foundation to temporarily purchase the concession and auction it off.

Taco Bell and McDonald's are among those interested. And the implications?

"You would not see the golden arches in Yosemite Valley; we have pretty strict regulations," says Lee Davis, chief of parks concessions management.

For leisure seekers unable to make it out West, historic attractions are more and more a magnet; a 1991 study by the National Endowment for the Arts shows that 30% of households on vacations visit historic sites. If they also want a bite to eat, odds are increasing that they'll pair a family entertainment center with lunch.

Susan Mosedale of the International Association of Amusement Parks and Attractions says these family centers are springing up at malls and restaurants everywhere. "A lot of restaurants are starting to put in amusement-type things," says Mosedale.

In that same mode—pairing food with other activities—a 1990 National Golf Foundation survey found that 65% of golfers in 1989, or 15.6 million people, purchased food or drink while at a course or club.

The average fee was \$7.21. That's a big tab, considering that golf showed a 3.9% compound growth rate from 1987 to 1991.

For the nation's favorite pastime, meanwhile, ARA Leisure Services Group is serving up crab cake sandwiches, personal pan pizzas, and other upscale goodies at the new state-of-the-art Orioles Park at Camden Yards in Baltimore. ARA vice president Steve Wurzbacher says that, besides traditional concessions, his company is also offering increased suite catering and corporate boxes; premium club seating with wait service; the large private Camden Club; a less formal restaurant, Pastime's, and a sports bar, Bambino's.

As for Americans who make it to foreign lands aboard cruise ships—a leisure activity that's been growing by 10% a year and is now almost back to pre-Gulf war levels—the new trends in



Dining has gone upscale at Orioles Park in Baltimore.

food are light cuisine and multiple choice. Crystal and Norwegian cruise lines are among those offering multiple restaurants at sea.

Of course, for vacationers on the other side of the Atlantic, the newest pastime is the mother of all theme parks, Euro-Disney, which opened for business April 12 and premiered 30 restaurants in the process. "We were very concerned," says Larry Slocum, Disney's vice president of food and custodial services, "whether Europeans would eat counter service, and we were pleasantly surprised that they did. It really took off with New York-style delis and barbecue. They can't get enough of barbecue."

Disney fans who make it only as far as Orlando can enjoy both barbecue and a blast from the past at Walt Disney/MGM Studios' new Sci-Fi Dine-in. The drive-in comes complete with tables enclosed inside '57 Chevys and nonstop screenings of grade-B Godzilla movies.

"We're taking a breather this year," says Slocum, describing yet another recent premiere at the movie park, a brick-oven pizzeria called Mama Melrose's Restaurant.

Still, Mickey Mouse fans should be glad to hear of the new Disney World eatery planned for next year: It will salute the old Mouseketeer Club, complete with mementos from Annette, Bobby, and Darlene. Get out your ears, everyone.—*Joan Oleck*

PHOTOGRAPH BY ANNIE GUMMERSON

'Dining In' Is A Losing Proposition

Unemployment Puts a Dent in Business and Industry Food Operations.



At Ford Motor Co., employees can dine in the company's cafeterias, or they can buy take-out meals and frozen yogurt at in-house convenience stores. The 3M Co. in

St. Paul tempts its workers with state-of-the-art dining facilities and several convenience stores. And Service America Corp. is helping its corporate clients establish brand-name foodservice programs which might, for example, include separate kiosks for Dunkin' Donuts and Taco Bell.

It's all part of the business and industry segment's pitch to keep employees in its cafeterias instead of defecting to the fast-feeder or white tablecloth operation up the block. But in today's lean and mean environment, even companies with a tradition of offering employee dining facilities are eyeing closure of those units as

potential budget-savers.

"Use it or lose it will be the prevailing theme" of the decade, believes Neil S. Reyer, a vice president for Chemical Bank in New York. "The message to employees, and I'm hearing it from many corporations, is that we don't have an obligation to feed you."

Chemical Bank is in the process of absorbing Manufacturers Hanover Trust, and in many cases, the bank is dealing with two sets of everything, including cafeterias—many of which will be closed.

Another change at Chemical Bank is that the executive dining room is now designated solely for entertaining clients. "The executive dining room was a big perk for so many years, and now it's purely business dining," Reyer says. "If you don't have a guest, you don't use that facility."

These tough corporate decisions about modifying in-house dining facilities are being made, in part, because there simply aren't as many employees to feed anymore. The continued rise in unemployment is seen as the major reason 1991 food sales in the business and industry segment slid by 1%, in terms of real dollars, from the previous year. Those sales were expected to remain flat this year, and increase only minimally through 1997.

As a product of the sluggish economy, foodservice operators in the business and industry market have had to deal with the down-sizing or "right-sizing" of U.S. corporations. "As right-sizing occurs, organizations are flattening, and this to a great extent affects the subsidies that so many of our foodservice operations depend upon," says Gary Gunderson, the Arizona corporate manger for Motorola Food Works, and president of the Society for Food Service Management.

The 3M Co. features state-of-the-art dining facilities, most of them offering full-service menus.



The 3M Co. operates 17 cafeterias, serving between 50 and 1,600 customers at lunch.

Most corporate dining facilities are subsidized, and foodservice executives are caught in a bind: They want to reduce the subsidy while boosting the profitability of the dining operations, but it takes some investment by the corporation to keep its foodservice operations on the cutting edge.

"Down-sizing continues to be the biggest issue," says Dick Kresky, vice president of total quality management for Marriott Corp. "What we're finding is there's still a commitment to offering some kind of meal service, but the subsidy to provide that service is decreasing."

"Subsidies are all over the place," notes Debi Beneditti, vice president of Bon Appetit Management Co., a five-year-old, \$45 million contractor based in Menlo Park, Calif. "We treat our restaurants like hotels," she says. "Our customers are our guests and we fight for them everyday. If the marketing and image of the cafeteria is right, then operating without the safety net of a subsidy is very possible."

"Attaining zero subsidy is a big issue in foodservice right now," agrees Amy Greenberg, vice president and director of corporate dining services for Shearson Lehman Bros. in New York. "All of us have been hit by down-sizing, and cost containment, reduction of expenses, operating more efficiently. We have to face all this while trying to encourage people to use our facility and not the restaurant down the street."

Shearson Lehman Bros. began down-sizing its operations in early 1989, mothballing a new cafeteria in its main building and closing another one in an adjacent building. The closures were a direct result of layoffs and early retirements by the financial services firm.

Although it has no plans to reopen either of the two shuttered facilities, the company is trying to be innovative in the dining choices offered. The company opened the Greenwich Diner, which features home-style cooking in a diner atmosphere; the Mongolian Wok, serving up fresh vegetables and stir-fries; and Uncle Cha-Chi's, which offers Mexican-style tacos and entrees. "Foremost in our minds is keeping the customer happy, and we're working very hard, with a little less money, to do that," Greenberg says.

In an effort to keep the ever-fickle customer satisfied, business and industry menus are becoming increasingly commercialized, as company foodservice staff adapt eating trends popularized by restaurants. For instance, customers at Ford's dining unit can pick up some Kentucky Fried Chicken, highlighted by Colonel Sanders' sign, right on the serving line, or they can stop at a Taco Bell kiosk, conveniently placed right in the cafeteria at the automotive company's Dearborn, Mich., headquarters. "It's not the whole answer, but it's part of our attempt to keep our customers coming to us, not going to the mall," says Arthur Miller, Ford's manager of corporate foodservices.

On an average day, approximately 100,000 customers use the more than 100 cafeterias and dining units operated by Ford. The annual foodservice budget is about \$75 million, Miller says.

Service America Corporation is responding to its clients' efforts to keep customers on-site by creating "value meals" and featuring more brand name products. General Foods, General Mills, Sara Lee, and Tyson are a few of the nationally-known brands that the company is introducing to its foodservice operations.

"The consumer perception is that brand names mean high quality products," says J. Tighe Merkert, corporate vice president for marketing services. "If we offer a brand name product, chances are good customers will pick our item over a generic product or off-site competitor."

Brand-name food is not an issue for the 3M Co., which operates 17 cafeterias serving between 50 and 1,600 customers at noontime. Much of the cooking is done on the premises. Virtually all the cafeterias offer a full-service

menu, including sandwiches carved to order, Caesar salads mixed to order, specialty salads, yogurt, and four special-of-the-day entrees.

"We have a few thousand dollars in subsidy available to support us, and we went five years without having to touch it," says Doris Melzarek, 3M's manager of foodservices. "Our goal is to not draw upon the subsidy and still operate at a profit, but last year, we opened three new units and we had to dip into that subsidy."

Melzarek estimates 3M's campus

dining facilities attract upwards of 60% of employees daily, even though the corporation's headquarters are located within walking distance of a major shopping center with fast-food and white tablecloth restaurants. Even more promising are signs that those using 3M's facilities are spending a bit more on their meals.

In recent months, the average tab at 3M has risen to \$2.63 from \$2.58, says Melzarek, and the foodservice operation posted sales of \$618,000 in June, up \$25,000 from May. —Laurie Freeman

25TH RESTAURANT GROWTH INDEX HEALTH CARE

Health Market Struggles

Sales Dip at Hospitals; up 1% at Nursing Homes



In health care foodservice, companies who contract out their services to hospitals and nursing homes are expected to record real sales growth of 3.6% for this year, and that's a respectable figure for these sluggish times. Unfortunately, that growth rate is not representative of the segment as a whole because contractors accounted for less than a quarter of all health care food sales last year.

The real picture emerges from a look at the operations of internal feeders, the in-house foodservice operations of hospitals and nursing homes. For hospital-run programs, food sales slipped by 2.3% in real dollar terms last year and RB's Restaurant Growth Index projects a further 1.9% slippage this year. Nursing home operations aren't faring a whole lot better, with flat sales for 1991 and a mere 1% increase forecast for this year.

"The increase for contractors could be a result of some of the pressures that institutions are feeling. Sometimes they seek out a contractor just so they don't have to hassle with that whole area of foodservice," says Kathleen Pontius, who heads up the American Society for Hospital Food Service Administrators in Chicago. "But in the nine years I've been with the association, I've never seen the number of contracts change by more than 5%. When hospitals award contracts, they often switch back to an internal operation six months to a year later."

Marge Beasley, director of foodser-



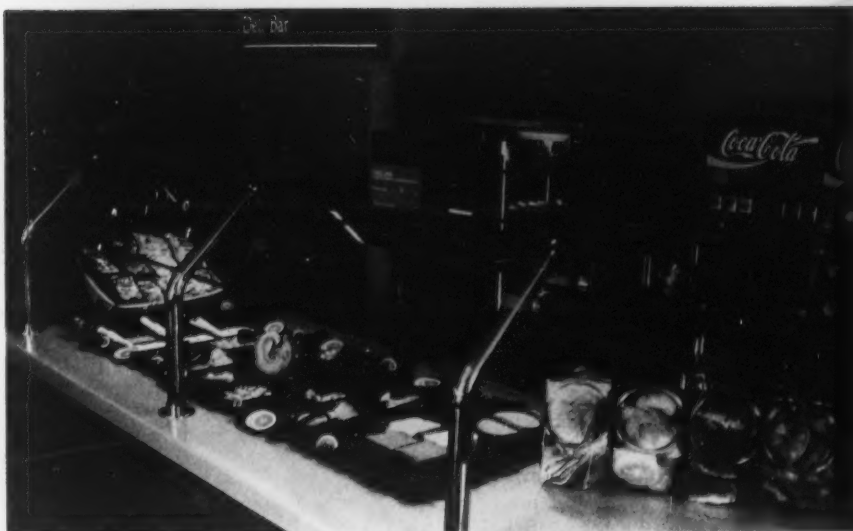
Residents of the Shelby Nursing Center in Shelby Township, Mich., dine in style at the center's on-site facilities.

vice at Bloomington Hospital in Bloomington, Ind., says she has "seen a slight increase in the number of contract companies coming in. Maybe that's because the manager of a former self-operated facility wasn't as good as he or she needed to be. It's a complex job, so it's hard to find a good manager. When they can find a competent individual, hospitals often switch back to self-op, because of the technical nature of the work."

That being the case, many contractors are attempting to increase their sales by offering additional services to existing clients. They're going after contracts that also give them responsibility for housekeeping and maintenance, in addition to food-service.

A good case in point is the Waltham, Mass.-based Seiler Corp., which recently inked such a deal with St. Barnabas Medical Center in Livingston, N.J. "Hospitals have their hands full with cost containment issues and the financial trends they're struggling with, so they're looking to make their lives as simple as they can when it comes to patient services," says Donald Storer, president of Seiler's dietary division.

Increasing sales isn't the only motive for Storer wanting to strike similar deals with other clients. The company's foodservice contracts are generally short-term, no more than one or two years. Because it was willing to tackle all of the patient services at St. Barnabas, however, the company successfully negotiated a seven-year contract with the hospital.



The Seiler Corp. is the food contractor for St. Barnabas Medical Center in Livingston, N.J.

"Some hospitals want a long-term relationship with a single supplier who can handle all their services. If a company and a hospital are compatible, and can work together in a long-term relationship, the company can do some very interesting, custom-tailored programs," Storer says.

Hospital occupancy is down, as it has been in recent years, so creativity is imperative in health care foodservice—whether it's managed internally or contracted out. More is being done to boost sales in hospital cafeterias, and increased emphasis is being put on making food more appealing to patients. In addition, many hospitals are generating new revenue for their foodservice departments by working with day-care centers and meals-on-wheels programs.

Says Beasley: "We're all trying to do whatever we can to offset the decline in the number of meals we're having to produce for patients."

Beasley has tried to up cafeteria sales by giving the hospital's dining facility more of a restaurant look. There's carpeting on the floors, prints on the walls, and lots of hardwood tones. A large salad bar will be added soon. Plenty of promotions complement the appealing design. Working in a display kitchen, for example, the chef frequently makes omelets to order and gyro sandwiches.

The hospital also offers employees and members of its senior citizen program a 25% discount on meals. All this marketing is necessary because the hospital has lots of competition from many fast-food restaurants in the vicinity. "We have to do whatever we can to enhance and merchandise food. When it comes to hospital foodservice, there's

no such thing as a captive audience anymore. All hospitals have lots of competition," Beasley says.

The Bloomington hospital hasn't introduced any brand-name products, but many other health care facilities have. The idea is to offer a broader variety of food so that employees and visitors will be less tempted to go off-site. The Washington, D.C.-based Marriott Corp. has opened such outlets as Dunkin' Donuts, TCBY Yogurt, and Domino's Pizza in the hospitals where it has contracts. The Spartanburg, S.C.-based Canteen Corp. has introduced Pazelli's Pizza; Bigger, Better Biscuits; and Classy Cookies.

Upgrading the food served to patients is another well-established trend. It's becoming more common for hospitals to offer patients gourmet meals and room service. And new moms might receive a special meal with emphasis put on presentation.

The same is true at retirement communities, where residents often play an active role. At Canteen-operated facilities, a resident food counselor regularly offers input on what should be served. And lots of attention is paid to presentation, with meals served on fine china.

"To beat the competition, retirement communities have to market themselves. If they can offer something extra in the way of foodservice, they believe people will be more likely to choose their facilities," says Janice Rice-McEneaney, a Secaucus, N.J.-based sales and marketing representative for Canteen's eastern division.

All these upgrades are being done at a time when hospitals are squeezed financially, so they don't want to pay any additional money for the extras.

—Don Nichols



The room service menu for Bloomington Hospital in Bloomington, Ind.

For more information on USA Rice Council circle number 50 →

RESTAURANT BUSINESS/SEPTEMBER 20, 1992

Student Feeding More Market-Driven

Declining Enrollments, Federal Cutbacks Force Innovations



The impact of federal cutbacks and declining enrollment in the '80s has been digested by most school systems. The response has been to become more market- and profit-driven, and to spice up menus. The growth of a la carte programs offers students many more choices today.

Real sales growth for 1990-91 in the category was a relatively healthy 1.5%. Much of this growth was in the contract category, at the expense of internal foodservice programs. This is especially true in primary and secondary schools where the internal category had a real increase of only 0.9% while the contract category enjoyed healthy real growth of 4.6%.

This shift is mirrored in the college and university segment, but to a lesser degree, because much of that foodservice is already contracted.

Breakfast is a bright growth area, especially for elementary schools where

better nutrition is a mandate. Brand-name foods are a burgeoning trend as colleges and universities try to keep students on campus, but national names are showing up in grade schools, too.

A case in point is Colorado's Cherry Creek School District. During the last school year, the district purchased 35,683 pizzas from nearby Pizza Hut stores. The pizzas were delivered hot to the district's four big high schools (student population: 2,000 to 3,000 per school) and six middle schools (population: 1,500 each)—just in time for the lunch period. The district sold eight slices per pie for a total of 285,464 slices.

"We buy them at a certain price and sell them at a higher price," says Marilou Smith, foodservice director for the school district. She notes happily that school cafeteria employees don't even need to heat them up. "We're not doing this out of the goodness of our hearts. It's a win-win [situation] for Pizza Hut and for foodservice in Cherry Creek," she adds.

The seeds for the change to a more market-driven foodservice system began in the Reagan years when, in 1981, massive federal cutbacks hit the national school lunch program. The number of students participating dropped so dramatically that even today, after a few years of some gains, enrollment is still well below 1981 levels. The program served 27 million students a day in 1981; it serves 24 million a day now. On top of that, many schools dropped out of the program altogether.

College budgets are being doubly hard hit. Not only are public funds shrinking but enrollment—unlike the now-growing rate in grade schools—is spiraling downward.

With money so elusive, schools and colleges had to make foodservice operations retail-



Today's high schoolers enjoy much-varied menu choices.

and bottom-line driven in order to generate badly needed revenues—not just to sustain feeding operations, but as profit-makers to provide revenue for other neglected, related areas such as equipment and utilities.

"Schools have to pay their own way," asserts Sue Greig, recent past president of the American School Food Service Association. Adds Susan Wilkie, foodservice director of San Diego State University: "In the face of declining enrollment, my job is capturing a greater percentage of the market."

That means responding to a more sophisticated student-consumer. School operators are spicing up foods, using more authentic recipes, and getting students' input through polls and taste committees. Declares Greig: "No more mystery meat." At the same time, schools are incorporating health considerations, reducing fat, sodium, and sugar content and adding more fruits and vegetables to menus.

The ultimate winners are the students. These are the children of frequent restaurant goers, used to dining out. They are more sophisticated eaters, even if their favorite foods are pizza and Mexican. "Students are demanding more. They go out to eat more, especially fast-food places," says Greig.

Commodities for grade school meal programs are largely provided by the U.S. Department of Agriculture. But, the new business orientation of foodservice will also mean more opportunity for suppliers.

In the last five years, à la carte programs have been increasing so much in



Ga. Institute of Technology president John Crecine (left) with Chick-fil-A chairman S. Truett Cathy.

secondary schools that about 80% now have them in place. The Los Angeles school district, the nation's second largest, generates \$70,000 a day in income from its a la carte business. That includes everything from sweet rolls and Danishes to nachos and sandwiches.

The Los Angeles district has developed a pizza program, using a frozen product from a supplier. Foodservice director Warren Lund says he has talked with Pizza Hut about deliveries but is doubtful about working out a feasible plan. The school district is so large—some 700 square miles—that the logistics of supplying fresh pizzas to schools would be "a monumental effort," he says.

The Palm Beach County, Fla., school system began a brand-name food program (Pizza Hut, Taco Bell, Subway, and TCBY) two years ago. It has added \$1 million a year to the a la carte business—all incremental sales. The biggest seller, says foodservice director Joy Miltenberger, is Pizza Hut pizza. A systemwide pizza program is being coordinated by Pizza Hut's district office in Boca Raton. Deliveries by franchisees are made five minutes before meal periods to up to 45 middle and high schools throughout the county.

At Arapahoe High School in Littleton, Colo., the school turned over its entire foodservice operation to Taco Bell, which rents space in the school's kitchen and has agreed to pay for equipment depreciation. "It is totally replacing us. We won't be there anymore," says Bonnie Wheeler, foodservice director for the Littleton public schools system. She says Taco Bell's lunch program—launched in late August—will also include pizza from sister company Pizza Hut. "It's an effort to keep kids on campus," she says.

A big growth area in the grade schools, especially elementary, is breakfast. The number of breakfasts served in the schools increased 8.5% in the 1990-91 school year over the previous year, according to the ASFA. Lunch participation, however, edged up just 0.5% during that time.

"Educators are realizing breakfast has a dramatic affect on achievement," says Kevin Dando, government affairs specialist with the ASFA. "They are finding a happier, quieter school" when students eat breakfast, he adds.

Several states, such as Kansas, California, and Florida, have legislated breakfast programs in schools.

On college campuses, board plans are opening up to include options other than residence hall dining. Students can use debit cards to buy meals at a

number of places on campus, including brand-name operations. In fact, fast-food chains are making big inroads on campuses.

PepsiCo restaurants, which have downsized, easily adaptable kiosks and carts to that end, are especially aggressive in opening on college campuses. But other chains, such as Subway, Carl's Jr., and Dunkin' Donuts are active there as well. Domino's Pizza—delivered to residence dorms—is one of the meal options at Georgetown University in Washington, D.C.

On some campuses, popular local eateries operate as well, such as

Wolfgang Puck's California Pizzeria at the University of Southern California. Universities also operate their own concepts as supplements to residence dining programs.

Often, brand-name concepts do better than generic operations run by the colleges. At Illinois State University, for example, when self-operated concepts were replaced with brand-name concepts such as McDonald's, Dairy Queen, and Garcia's, a regional Mexican chain, losses were not just eliminated—sizeable profits were generated too. "Plus the students are satisfied," says Chris Schwelle, director of the student center. —Marilyn Alva

25TH RESTAURANT GROWTH INDEX VENDING

Keeping The Change

Customers Aren't Dropping as Many Coins: Debit Cards are Slotted to Increase Sales



High unemployment and layoffs have had a negative impact on vending foodservice. Vending sales had real growth of only 0.5% in 1990-91, and are projected to be

flat for the next five years as well.

The industry anticipates that new high-tech vending equipment and brand-name food items will provide a boost to sales.

And if plans for a new \$1-coin are approved, more consumers might be encouraged to dine at machines.

Vending is still a good strategy in factories, offices, schools, and institutions, say operators. Machines cost much less than operating manual foodservice and occupy much less space. They're good for impulse

snacks and quick meals 24 hours a day.

Moreover, unlike other contract foodservice segments, the vending market is not concentrated in a small number of hands. It still has many independent local and regional operators who hold their own against big national companies by giving responsive service.

"When one of my accounts has a problem, I don't have to call the home office to bend a rule," says R. David Clayton, president of Nashville, Tenn.-based Automatic Food Service Inc.

Automatic Food Service Inc. offers debit cards for Vanderbilt University students. Card use helped double vending sales.



and chairman of the National Automatic Merchandising Association, vending's trade group.

Operators await the perfection of a new generation of machines, which will be able to heat french fries and pizzas to order. Even now, Washington, D.C.-based Marriott Management Services is testing hot-air french fry machines that "deliver the product well," says J.E. "Eddie" Hicks, vice president of Marriott's national vending.

Promising, but as yet unperfected, is a machine that stocks frozen sandwiches and entrees and quickly microwaves them to order. It could keep products in usable condition for months and cut waste. "The tricky part is building it affordable enough to be marketable," says Hicks.

The quality quest also leads to vending machines bearing the logos of juice, snack food, and candy brands.

Vending's Holy Grail is a bill now in Congress to replace paper dollars with a new \$1 dollar coin. When Canada made the switch a few years ago, sales of vending companies rose 20%, according to Clayton.

Prepaid payment cards are proving more convenient for customers than carrying coins or using a \$1 bill accep-

tor, and better for business, too. Students at Vanderbilt University, an Automatic Food Service client, buy lunch by swiping a magnetic Commodore Card into a vending

machine, which debits their prepaid deposit account. After two years of use, the card has more than doubled vending sales, Clayton says.

—James Scarpa

25TH RESTAURANT GROWTH INDEX AIRLINES

Mile-High Sales Barely Rise

But Foodservice Spending is Still Strong On Competitive International Air Routes



How can airplane cabins be so full, yet airline coffers remain so empty? To understand that paradox, look at this year's fare wars and two preceding years of red ink.

Half-price tickets have wooed record numbers of passengers. But they've stung carriers already struggling through recessionary drop-offs in business and pleasure travel, and the

fierce competition of deregulation.

In that light, it is understandable why inflight foodservice sales in 1991 grew less than 1% in real dollar terms from the previous year.

But, says James O'Neill, CEO of Sky Chefs and president of the Inflight Food Service Association, better days lie at the end of the economic runway. *RR's* Restaurant Growth Index seems to back up that optimism by projecting a healthy 3% real growth through the end of this year, and a 3.5% com-

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pounded growth through 1997.

But cost-cutting efforts have been apparent in the modified meal—or no meal—that airlines are serving their passengers.

Delta plans to save \$1 million by omitting the lettuce leaf liner from salads. TWA now offers peanuts and cocktails instead of meals on many of its routes, reducing flight attendant staffing as well as food costs. America West has grounded fruit baskets for passengers.

Most airlines are cutting meals on off-hour flights, such as 10 a.m. departures, and on short hops. "The notion is changing that whenever a passenger steps on a plane, he has to have a meal," says American Airlines' Peter Bowler.

In addition to changes in airline meal service philosophies are the changes in the dietetic attitudes of passengers, who are asking for more healthful meals aloft. United Airlines' Kurt Lackner reports good response to breakfasts of cereal, fresh fruit, and yogurt in place of the standard airline omelet. "We're also getting more call for vegetarian special meals and TLCs—traveler's light choices—like cold seafood platters and fruit platters," he says.

McDonald's "Friendly Skies Meals" for children were so successful during tests on United flights to and from Orlando that they are now being offered on all of the airline's flights originating at Chicago's O'Hare.

Foodservice spending on competitive international routes is still strong for many carriers, however, despite domestic cuts. American offers first class passengers a special "destination feature" menu. To Germany, it's grilled venison tenderloin with Cognac sauce and spaetzle.

United introduced "connoisseur class" service for international business passengers. It gives them typical first class amenities such as wider seats, fancier menus, and vintage Champagne.

"The European Community is very

important to us—over \$1 billion of business per year—and very competitive," says Lackner.—James Scorpa



American Airlines offerings include, from left: grapes and cheese; steak with fresh veggies; and a vegetable burrito.

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Fighting Trim

Budget Cuts Force Military to Re-evaluate Mess Hall Operations



Military foodservice personnel already are feeling a bit pinched to provide "Mom's home cooking" to the approximately 1.8 million soldiers, sailors, and aviators on active duty, even though the first round of cuts in the Department of Defense budget will have a minimal impact on foodservice operations.

The defense budget in fiscal 1993 drops 7.14% to \$252 billion, and like other military operations, foodservice personnel are being pressed to identify ways to reduce costs.

"Cooking meals from scratch and honing culinary skills has always been a point of pride for the military," says Dave Dee, executive director of Research & Development Associates,

Houston, and a retired U.S. Army colonel. "But as the budget cuts take effect and troop strength falls, there will be fewer personnel to provide that home-cooked meal."

To cope, the Air Force and Army are testing prepared foods that can be reheated and served without much labor. Most of the Army's training and doctrine installations already contract out their mess facilities, a trend the Army expects will continue, as historically "commercialization has always resulted in savings in the long-run," says Maj. Peter Keating.

The Navy runs 600 general mess halls, of which about 125 are on-shore operations. Dining facilities on naval vessels are all operated by military mess management specialists. "Just for raw foods alone, it costs \$300 million to feed the Navy," says Supply

Corps Cmdr. Gary McGee.

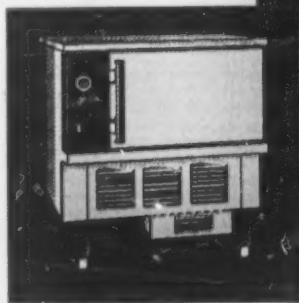
Onshore, all naval base commanders have been charged with detailing the exact cost of foodservice, and comparing the cost to the Navy's per diem rate for that area. "If the overall cost is higher, then the commanding officer needs to consider how to reduce the cost of running that mess hall," says McGee. "If the commanding officer can justify the higher expense, then it will stay in their budget, but then the money will come out of some other place."

The Navy already has shuttered some dining facilities that were feeding a small number of personnel, and has made arrangements with the privately-run officers clubs to handle dining operations. "It didn't make sense to have both the mess hall and the officers club," says McGee. The Navy expects to continue to consolidate operations.

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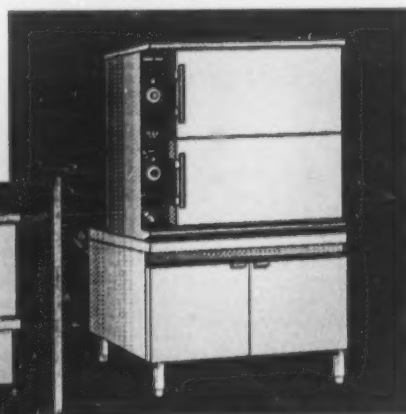
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The U.S. Air Force recently reasigned its foodservice operations to its Morale, Welfare, Recreation, and Service Agency (MWRS) to integrate foodservice with clubs, golf courses, and recreation facilities. "The key here is manpower," says Capt. Randy Sipe. "As the military force shrinks, there are fewer people to cook and fewer people to cook for."

Since 1986, the U.S. Marine Corps has been contracting out foodservice, says Maj. Kenneth Lasnier, head of the Marine Corps Foodservice and Subsistence Program. "Every time we have to take a man away from training to do mess detail it affects our military operations," he says. "But as the money dwindles, the choices of what to cut also get tougher."

Through the various military exchange services, which are not taxpayer supported, fast-food restaurants have sprouted on military bases. About 130 Burger King restaurants are located at Army and Air Force installations worldwide; an additional six Burger King restaurants are company-owned and operated at Naval and Marine installations, and one Burger King franchise is sited in a U.S. Coast Guard facility. Burger King also has

two smaller "Expressway" kiosks up and running at Army and Air Force bases, and plans to open three more kiosks in 1993, a Burger King spokeswoman says.

McDonald's went through a major building spurt in the mid-'80s, opening restaurants at Air Force, Navy, and Marine Bases. The company's enthusiasm has cooled, but it continues to be interested in siting new restaurants at Armed Forces installations, says Jane Hulbert, a McDonald's spokesperson.

A top concern is not how the military handles its dining operations during peacetime, but what happens when the troops are mobilized. It's one thing to cook for a couple of thousand soldiers in a sheltered kitchen, but it's an entirely different matter to do the same thing under battle or inclement weather conditions. "We will have a lot of trouble in the future if we don't have staff accustomed to combat conditions or troops to field combat rations," Lasnier says.

Marines line up for chow at boot camp in Parris Island, S.C.

The military has installed an electronic management system to speed up acquisitions and to help personnel pick "best-value" products. "We're now able to look at the whole cost of procuring an item," says Keith Ford, head of troop issue contracting for the Defense Personnel Support Center.

The center is working to deliver staples directly to military bases, rather than sending them first to warehouses, which should mean significant savings. "Budget reductions are going to be with us for a long time," adds Ford. "That means we've got to operate smarter and more economically." —Laurie Freeman

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Glossary Of Terms

POPULATION. Updated from the 1990 U.S. Census of Population and Housing, this is an estimate of the number of people living in an area at the end of the year. It includes people living in colleges and hospitals, and armed forces permanently assigned to the area, but excludes tourists and transients. Large changes in group-quarters populations are not projected in these forecasts.

Demographic statistics have been estimated by a population component procedure-independent county estimates of births, deaths, and migration. These population components are aggregated—and either added to or subtracted from the appropriate benchmark.

Fertility rates, for example, have been projected at their current rate of change. Similarly, we have assumed that current mortality rates will continue unmodified.

HOUSEHOLD. A household consists of all the people occupying a single housing unit under 1990 Census rules. The members of a household need not be related, and a single person living alone in a housing unit is also counted as a household.

All persons who are not members of households are regarded as living in group quarters, which includes institutions, college dormitories, and military barracks. Caution: Although a county's population total includes all the people in the area, the household total does not do so because it excludes those living in group quarters.

AVERAGE HOUSEHOLD SIZE.

Total population divided by the number of households. Depending upon whether it is above or below the U.S. average, it is used as a rough indicator of the relative importance of family-type units or single-person units in a local area.

However, the figure can be artificially high in those relatively few counties where there is a disproportionate share of college, military, or other types of institutional population.

EFFECTIVE BUYING INCOME (EBI).

Personal income less personal tax and nontax payments, also known as Disposable Personal Income.

EATING AND DRINKING PLACE SALES.

Includes establishments selling prepared foods and drink for consumption on or near the premises or for take-out; lunch counters and refreshment stands selling prepared food and drink for immediate food contractors; and leased eating and/or drinking concessions in theaters, hotels, amusement parks, etc. Restaurants and lunch counters operated by department stores are classified in the General Merchandise Group; those operated by hotels are classified in the Hotel Group.

EATING PLACES.

Include retail sales and units of restaurants and lunch rooms, social cafeterias, fast-food sales, contract feeding, and ice cream and frozen custard stands. Exclude drinking place sales and units.

RESTAURANTS.

Establishments engaged in serving prepared food and beverages selected by the patron from a full menu. Waitservice is provided and the establishment has seating for at least 15 patrons. These establishments often serve alcoholic beverages.

Establishments in which sales of alcoholic beverages for consumption on the premises exceed receipts from sales of prepared foods and nonalcoholic beverages are classified as "drinking places."

FAST FOOD.

Establishments with limited menus. Included in this group are establishments that prepare refreshment items such as pizza, barbecued chicken, and hamburgers for consumption either on or near the premises or for carry-out consumption.

MARKET SHARE.

Represents the percent of eating places from fast-food units or from restaurants. It is indicative of customer preference of these types of establishments in that area.

RESTAURANT ACTIVITY INDEX (RAI).

The percent of U.S. eating place sales divided by the percent of U.S. food store sales, expressed as an index. An index greater than 100 indicates a greater than average propensity to eat out rather than at home.

RESTAURANT GROWTH INDEX (RGI).

The RGI is designed to show the relationship between restaurant supply and demand market

as an index. When supply equals demand, the index is 100. The amount by which the RGI exceeds 100 represents the proportion of growth potential. For example, an index of 120 means that the market could support 20% growth. When the market is saturated, the index will drop below 100.

Demand is measured by five factors:

- market's share of U.S. employed women, which is weighted by a factor of two;
- market's share of U.S. households with effective buying income of \$25,000 or more;
- market's share of U.S. eating place sales;
- market's share of U.S. hotel and motel receipts; and
- market's share of U.S. population age 14 and under, and 25 to 44.

These factors, except for the first, are given equal weight and added together to create the demand portion of the equation. Supply is measured by the percentage of U.S. total eating places located in the market. The RGI is created by dividing demand by supply, and multiplying the result by 100, so that the final figure will be in index form.

TELEVISION MARKETS. The TV markets are the American Research Bureau's Areas of Dominant Influence (ADIs). ARBITRON studies each county for its measurable viewing patterns. The hours of viewing attributed to each TV station whose signal reaches the county are totaled; then each station's percentage share of total viewing hours

is calculated. The market of origin of the TV stations with the largest share of viewing hours becomes the ADI name for that market, and all counties whose largest viewing share is given to stations of that same market of origin are grouped within the ADI.

METROPOLITAN STATISTICAL AREAS (MSAs). In RGI, metropolitan markets are identical to Federal government definitions of MSAs or PMSAs (Primary Metropolitan Statistical Areas),

except in New England, where NECMSAs (New England County Metropolitan Statistical Areas) are used.

The basic criteria for metropolitan areas are: Each metropolitan statistical area must include a city that, with contiguous and densely settled territory, constitutes a Census Bureau-defined urbanized area with a population of at least 50,000. If a metropolitan statistical area's largest city has a population of less than 50,000, the area must have a total population of at least 100,000.

FOOTNOTE TO SALES FIGURES

Adjustment of Separate Eating & Drinking Place sales figures to be comparable to the approach of current retail trade reports:

After adjustments for differences in what current retail trade reports includes in Eating Place sales—both in what is included in reported sales by segment and the segments themselves—the Eating Place sales figures in Technomic's forecast and analysis section increases from \$180.172 billion to \$188.693 billion, an increase of \$8.521 billion or 4.7%. Components of the adjustment are:

1 Technomic includes only sales of food (meals, snacks, and nonalcoholic beverages) and alcoholic beverages. Adjusting for merchandise line items results in a deduction of \$2.245 billion.

2 Technomic does not include contract feeders in Eating Places as current retail trade report does, but rather shows sales in the segments they serve. Adjusting for this, a deduction of contract feeder sales \$21.471 billion, a significant portion of which is in the segment of Retail Trade.

3 Technomic includes sales of food and beverage in the segment of Retail Trade.

1991 Regional Summary

12/31/91

1991

REGION State	Population (Thous.)	% of U.S.	Average House- hold Size	Per Capita EBI	Eating & Drinking Place Sales (\$000)	Eating Place Sales (\$000)	Units	Fast Food Market Sales (\$000)	Share (%)	Restaurant Market Sales (\$000)	Share (%)	RAI	RGI
CONNECTICUT	3,313.9	1.3066	2.67	19,959	2,773,378	2,621,158	4,415	806,180	31	1,478,075	56	105	102
MAINE	1,247.9	0.4920	2.63	13,448	1,003,858	965,633	1,794	347,141	36	556,084	58	88	81
MASSACHUSETTS	6,048.3	2.3847	2.68	17,296	6,773,641	6,310,218	8,418	1,781,534	28	3,750,965	59	130	103
NEW HAMPSHIRE	1,143.6	0.4509	2.70	16,662	1,051,528	1,031,807	1,609	312,659	30	637,449	62	93	95
RHODE ISLAND	1,012.1	0.3990	2.66	14,272	859,268	782,021	1,419	261,020	33	450,513	58	120	81
VERMONT	572.8	0.2259	2.67	13,616	492,741	456,417	903	123,682	27	293,331	64	95	83
NEW ENGLAND	13,336.6	5.2591	2.67	17,156	12,954,414	12,167,254	18,560	3,632,216	30	7,166,417	59	114	97
NEW JERSEY	7,813.5	3.0807	2.77	19,860	5,504,942	4,941,624	9,462	1,526,950	31	2,677,108	54	74	127
NEW YORK	18,166.3	7.1626	2.72	16,455	12,517,081	11,688,162	23,139	3,204,111	27	6,465,827	55	90	96
PENNSYLVANIA	11,968.1	4.7188	2.64	14,883	7,300,361	6,651,261	13,751	2,394,926	36	3,461,656	52	78	96
MIDDLE ATLANTIC	37,947.9	14.9621	2.70	16,660	25,322,384	23,281,047	46,352	7,125,987	31	12,604,591	54	83	103
ILLINOIS	11,511.8	4.5389	2.73	16,324	8,736,103	8,069,029	13,845	3,199,782	40	3,957,487	49	116	104
INDIANA	5,594.4	2.2057	2.68	13,456	3,899,381	3,640,638	6,847	1,903,806	52	1,399,684	38	111	90
MICHIGAN	9,382.2	3.6992	2.72	14,356	6,614,209	6,038,776	10,691	2,500,186	41	2,983,560	49	111	97
OHIO	10,918.7	4.3050	2.65	13,991	7,910,163	7,294,089	12,915	3,404,791	47	3,235,358	44	103	93
WISCONSIN	4,952.4	1.9526	2.68	13,967	3,770,232	3,244,204	6,269	1,200,255	37	1,818,452	56	107	92
EAST NORTH CENTRAL	42,359.5	16.7014	2.69	14,807	30,930,088	28,286,736	50,567	12,208,820	43	13,394,541	47	110	96
IOWA	2,778.1	1.0953	2.60	13,564	1,762,415	1,576,434	3,598	691,631	44	760,194	48	80	82
KANSAS	2,506.5	0.9883	2.62	14,335	1,621,325	1,549,129	3,206	789,937	51	586,027	38	92	86
MINNESOTA	4,457.2	1.7574	2.65	14,324	3,296,937	2,993,781	5,082	1,097,420	37	1,608,763	54	101	106
MISSOURI	5,184.8	2.0442	2.61	13,825	3,586,959	3,396,195	6,341	1,648,826	49	1,351,850	40	103	94
NEBRASKA	1,586.0	0.6253	2.62	14,114	1,078,200	943,540	2,119	424,705	45	446,022	47	94	84
NORTH DAKOTA	634.3	0.2501	2.64	12,628	423,305	350,339	855	172,310	49	169,141	48	88	78
SOUTH DAKOTA	702.5	0.2769	2.68	13,377	444,523	385,241	997	146,866	38	217,648	56	84	77
WEST NORTH CENTRAL	17,849.4	7.0375	2.63	13,946	12,213,664	11,194,659	22,198	4,971,895	44	5,139,645	46	95	91
DELAWARE	684.1	0.2697	2.70	15,261	546,870	515,345	848	214,342	42	248,339	48	98	103
DISTRICT OF COLUMBIA	597.4	0.2356	2.44	17,998	864,527	814,773	1,161	198,774	24	443,076	54	283	147
FLORIDA	13,492.9	5.3199	2.52	14,455	11,553,056	10,887,982	16,376	3,934,290	36	5,975,022	55	108	101
GEORGIA	6,708.7	2.6451	2.74	13,227	4,743,524	4,526,756	7,804	2,302,200	51	1,723,037	38	104	99
MARYLAND	4,915.9	1.9382	2.74	16,710	3,515,550	3,296,555	5,405	1,354,135	41	1,506,434	46	98	113
NORTH CAROLINA	6,777.2	2.6720	2.63	12,968	4,584,845	4,495,897	8,010	2,295,800	51	1,724,262	38	101	94
SOUTH CAROLINA	3,565.4	1.4058	2.77	11,952	2,378,824	2,309,800	4,014	1,131,445	49	931,429	40	92	95
VIRGINIA	6,348.1	2.5029	2.70	15,528	4,274,672	4,222,397	7,155	1,837,432	44	1,908,873	45	92	112
WEST VIRGINIA	1,784.3	0.7036	2.60	11,113	841,416	807,528	1,868	496,573	61	249,192	31	69	81
SOUTH ATLANTIC	44,874.0	17.6926	2.64	14,173	33,303,284	31,877,033	52,641	13,764,901	43	14,709,664	46	102	102
ALABAMA	4,089.4	1.6124	2.68	12,080	2,198,114	2,133,082	4,003	1,285,304	60	653,660	31	87	97
KENTUCKY	3,704.2	1.4605	2.67	12,037	2,270,832	2,185,009	3,748	1,235,600	57	776,425	36	91	96
MISSISSIPPI	2,591.8	1.0219	2.82	10,250	1,056,031	1,031,909	2,383	620,663	60	311,114	30	70	91
TENNESSEE	4,960.1	1.9557	2.63	12,897	3,030,665	2,967,104	5,420	1,537,201	52	1,178,214	40	102	99
EAST SOUTH CENTRAL	15,345.5	6.0505	2.66	12,025	8,555,642	8,317,104	15,554	4,678,768	56	2,919,413	35	90	97
ARKANSAS	2,374.8	0.9363	2.63	11,513	1,124,173	1,102,656	2,583	613,343	56	389,712	35	68	84
LOUISIANA	4,238.4	1.6711	2.82	11,950	2,567,235	2,432,713	3,946	1,156,600	48	936,985	39	69	106
OKLAHOMA	3,157.8	1.2451	2.61	11,734	1,876,097	1,819,946	4,123	897,073	49	643,331	35	83	70
TEXAS	17,434.7	6.8741	2.80	13,769	11,870,240	11,149,849	19,087	5,064,329	45	4,508,469	40	84	99
WEST SOUTH CENTRAL	27,205.7	10.7266	2.76	13,063	17,437,745	16,505,164	29,739	7,731,345	47	6,478,497	39	80	95
ARIZONA	3,825.5	1.5083	2.67	12,733	2,787,201	2,583,380	4,282	1,048,103	41	1,268,922	49	85	101
COLORADO	3,367.9	1.3279	2.57	15,225	2,930,401	2,709,641	4,670	962,594	36	1,428,037	53	105	93
IDAHO	1,023.2	0.4034	2.78	12,541	587,925	531,873	1,255	240,667	45	258,422	49	75	82
MONTANA	801.4	0.3160	2.61	12,811	612,675	489,348	1,269	187,782	38	271,974	56	77	67
NEVADA	1,301.4	0.5131	2.58	14,881	1,049,525	908,959	1,337	380,477	42	407,770	45	89	376
NEW MEXICO	1,561.4	0.6156	2.79	11,655	1,062,822	990,595	1,909	449,164	45	450,040	45	99	82
UTAH	1,770.2	0.6979	3.21	11,478	964,586	934,413	1,775	469,081	50	380,054	41	80	103
WYOMING	452.3	0.1783	2.68	13,674	306,728	269,778	679	106,850	40	153,402	57	92	85
MOUNTAIN	14,103.3	5.5695	2.71	13,270	10,301,963	9,417,967	17,176	3,844,718	41	4,618,621	49	90	114
ALASKA	570.2	0.2248	2.91	17,842	685,740	585,714	692	207,933	36	255,975	44	99	119
CALIFORNIA	30,975.0	12.2127	2.88	15,843	28,043,773	26,530,002	37,808	10,016,455	38	14,181,843	53	127	104
HAWAII	1,138.1	0.4487	3.10	16,617	2,095,424	1,976,472	1,681	861,794	33	1,042,648	53	186	166
OREGON	2,912.8	1.1484	2.58	13,676	2,721,017	2,492,352	4,100	966,387	39	1,328,004	53	114	82
WASHINGTON	5,009.1	1.9749	2.60	15,528	4,627,120	4,297,282	6,305	1,554,517	36	2,425,089	56	106	97
PACIFIC	40,805.2	16.0095	2.63	15,699	38,173,074	35,881,822	50,586	13,407,086	37	19,233,550	54	124	103
UNITED STATES TOTAL	253,829.1	100.0000	2.71	14,702	189,192,158	178,828,806	303,371	71,365,828	40	86,264,948	49	100	100

1991 Metro Areas

This section of the Restaurant Growth Index describes the geographic makeup of the Metropolitan Statistical Areas as defined by the U.S. Census

Abilene, TX—Taylor
Akron, OH—Portage, Summit
Albany, GA—Dougherty, Lee
Albany-Schenectady-Troy, NY—Albany, Greene, Montgomery, Rensselaer, Saratoga, Schenectady
Albuquerque, NM—Bernalillo
Alexandria, LA—Rapides
Allentown-Bethlehem, PA—
New Jersey Portion—Warren
Pennsylvania Portion—Carbon, Lehigh, Northampton
Altoona, PA—Blair
Amarillo, TX—Potter, Randall
Anaheim-Santa Ana, CA—Orange
Anchorage, AK—Anchorage
Anderson, IN—Madison
Anderson, SC—Anderson
Ann Arbor, MI—Washtenaw
Anniston, AL—Calhoun
Appleton-Oshkosh-Neenah, WI—Calumet, Outagamie, Winnebago
Asheville, NC—Buncombe
Ashland, KY (See **Huntington-Ashland**)
Athens, GA—Clarke, Jackson, Madison, Oconee
Atlanta, GA—Barrow, Butts, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinett, Henry, Newton, Paulding, Rockdale, Spalding, Walton
Atlantic City, NJ—Atlantic, Cape May
Attleboro, MA (See **New Bedford-Fall River-Attleboro**)
Auburn, ME (See **Lewiston-Auburn**)
Augusta, GA—
Georgia Portion—Columbia, McDuffie, Richmond
South Carolina Portion—Aiken
Aurora-Elgin, IL—Kane, Kendall
Austin, TX—Hays, Travis, Williamson

Bakersfield, CA—Kern
Baltimore, MD—Anne Arundel, Baltimore, Baltimore City, Carroll, Hartford, Howard, Queen Anne's
Bangor, ME—Penobscot
Baton Rouge, LA—Ascension, East Baton Rouge, Livingston, West Baton Rouge
Battle Creek, MI—Calhoun
Bay City, MI (See **Saginaw-Bay City-Midland**)
Beaumont-Port Arthur, TX—Hardin, Jefferson, Orange
Beaver County, PA—Beaver
Bellingham, WA—Whatcom
Beloit, WI (See **Janesville-Beloit**)
Benton Harbor, MI—Berrien
Bergen-Passaic, NJ—Bergen, Passaic
Bethlehem, PA (See **Allentown-Bethlehem**)
Billings, MT—Yellowstone
Biloxi-Gulfport, MS—Hancock, Harrison
Binghamton, NY—Broome, Tioga
Birmingham, AL—Blount, Jefferson, St. Clair, Shelby, Walker
Bismarck, ND—Burleigh, Morton

Bloomington, IN—Monroe
Bloomington-Normal, IL—McLean
Boca Raton, FL (See **West Palm Beach-Boca Raton-DeLray Beach**)
Boise, ID—Ada
Boston-Lawrence-Salem-Lowell-Brockton, MA—Essex, Middlesex, Norfolk, Plymouth, Suffolk
Boulder-Longmont, CO—Boulder
Bradenton, FL—Manatee
Brazoria, TX—Brazoria
Bremerton, WA—Kitsap
Bridgeport-Stamford-Norwalk-Danbury, CT—Fairfield
Bridgeton, NJ (See **Vineland-Milville-Bridgeton**)
Bristol, CT (See **Hartford-New Britain-Middletown-Bristol**)
Bristol, TN (See **Johnson City-Kingsport-Bristol**)
Brockton, MA (See **Boston-Lawrence-Salem-Lowell-Brockton**)
Brownsville-Harlingen, TX—Cameron
Bryan-College Station, TX—Brazos
Buffalo, NY—Erie
BUFFALO-NIAGARA FALLS CONSOLIDATED AREA—Buffalo, Niagara Falls, NY
Burlington, NC—Alamance
Burlington, VT—Chittenden, Grande Isle

Canton, OH—Carroll, Stark
Casper, WY—Natrona
Cedar Falls, IA (See **Waterloo-Cedar Falls**)
Cedar Rapids, IA—Linn
Champaign-Urbana-Rantoul, IL—Champaign
Charleston, SC—Berkeley, Charleston, Dorchester
Charleston, WV—Kanawha, Putnam
Charlotte-Gastonia-Rock Hill, NC-SC—
North Carolina Portion—Cabarrus, Gaston, Lincoln, Mecklenburg, Rowan, Union
South Carolina Portion—York
Charlottesville, VA—Albemarle, Charlottesville, Fluvanna, Greene
Chattanooga, TN—
Georgia Portion—Catoosa, Dade, Walker
Tennessee Portion—Hamilton, Marion, Sequatchie
Cheyenne, WY—Laramie
Chicago, IL—Cooke, DuPage, McHenry
CHICAGO-GARY-LAKE COUNTY CONSOLIDATED AREA—Aurora-Elgin, Chicago, IL; Gary-Hammond, IN; Joliet, IL; Kenosha, WI; Lake County, IL
Chico, CA—Butte
Cincinnati, OH—
Indiana Portion—Dearborn
Kentucky Portion—Boone, Campbell, Kenton
Ohio Portion—Clermont, Hamilton, Warren
CINCINNATI-HAMILTON CONSOLIDATED AREA—Cincinnati, Hamilton-Middletown, OH
Clarksville-Hopkinsville, TN-KY—
Kentucky Portion—Christian
Tennessee Portion—Montgomery

Clearwater, FL (See **Tampa-St. Petersburg-Clearwater**)
Cleveland, OH—Cuyahoga, Geauga Lake, Medina
CLEVELAND-AKRON-LORAIN CONSOLIDATED AREA—Akron, Cleveland, Lorain-Elyria, OH
College Station, TX (See **Bryan-College Station**)
Colorado Springs, CO—El Paso
Columbia, MO—Boone
Columbia, SC—Lexington, Richland
Columbus, GA—
Alabama Portion—Russell
Georgia Portion—Chattahoochee, Muscogee
Columbus, OH—Delaware, Fairfield, Franklin, Licking, Madison, Pickaway, Union
Corpus Christi, TX—Nueces, San Patricio
Cumberland, MD—
Maryland Portion—Allegany
West Virginia Portion—Mineral

Dallas, TX—Collin, Dallas, Denton, Ellis, Kaufman, Rockwall
DALLAS-FORT WORTH CONSOLIDATED AREA—Dallas, Fort Worth-Arlington, TX
Danbury, CT (See **Bridgeport-Stamford-Norwalk-Danbury**)
Danville, VA—Danville, Pittsylvania
Davenport-Rock Island-Moline, IL-IA—
Illinois Portion—McHenry, Rock Island
Iowa Portion—Scott
Dayton-Springfield, OH—Clarke, Greene, Miami, Montgomery
Daytona Beach, FL—Volusia
Decatur, AL—Morgan
Decatur, IL—Macon
DeLray Beach, FL (See **West Palm Beach-Boca Raton-DeLray Beach**)
Denison, TX (See **Sherman-Denison**)
Denver, CO—Adams, Arapahoe, Denver, Douglas, Jefferson
DENVER-BOULDER CONSOLIDATED AREA—Boulder-Longmont, Denver, CO
Des Moines, IA—Dallas, Polk, Warren
Detroit, MI—Lapeer, Livingston, Macomb, Monroe, Oakland, St. Clair, Wayne
DETROIT-ANN ARBOR CONSOLIDATED AREA—Ann Arbor, Detroit, MI
Dothan, AL—Dale, Houston
Dubuque, IA—Dubuque
Duluth, MN—
Minnesota Portion—St. Louis
Wisconsin Portion—Douglas
Durham, NC (See **Raleigh-Durham**)
East Lansing, MI (See **Lansing-East Lansing**)
Eau Claire, WI—Chippewa, Eau Claire
Edinburg, TX (See **McAllen-Edinburg-Mission**)
El Paso, TX—El Paso
Elgin, IL (See **Aurora-Elgin**)
Elkhart-Goshen, IN—Elkhart
Elmira, NY—Chemung
Elyria, OH (See **Lorain-Elyria**)
Enid, OK—Garfield

1991 Metro Areas

Erie, PA—Erie

Eugene-Springfield, OR—Lane

Evansville, IN—

Indiana Portion—Posey, Vanderburgh, Warrick

Kentucky Portion—Henderson

Fairfield, CA (See Vallejo-Fairfield-Napa)

Fall River, MA (See New Bedford-Fall River-Attleboro)

Fargo-Moorhead, ND-MN—

Minnesota Portion—Clay

North Dakota Portion—Cass

Fayetteville, NC—Cumberland

Fayetteville-Springdale, AR—Washington

Fitchburg, MA (See Worcester-Fitchburg-Leominster)

Flint, MI—Genesee

Florence, AL—Colbert, Lauderdale

Florence, SC—Florence

Fort Collins-Loveland, CO—Larimer

Fort Lauderdale-Hollywood-Pompano Beach, FL—Broward

Fort Myers-Cape Coral, FL—Lee

Fort Pierce, FL—Martin, St. Lucie

Fort Smith, AR—

Arkansas Portion—Crawford, Sebastian

Oklahoma Portion—Sequoyah

Fort Walton Beach, FL—Okaloosa

Fort Wayne, IN—Allen, DeKalb, Whitley

Fort Worth-Arlington, TX—Johnson, Parker, Tarrant

Fresno, CA—Fresno

Gadsden, AL—Etowah

Gainesville, FL—Alachua, Bradford

Galveston-Texas City, TX—Galveston

Gary-Hammond, IN—Lake, Porter

Gastonia, NC (See Charlotte-Gastonia-Rock Hill)

Glen Falls, NY—Warren, Washington

Goshen, IN (See Elkhart-Goshen)

Grand Forks, ND—Grand Forks

Grand Rapids, MI—Kent, Ottawa

Great Falls, MT—Cascade

Greeley, CO—Weld

Green Bay, WI—Brown

Greensboro-Winston-Salem-High Point,

NC—Davidson, Davie, Forsyth, Guilford,

Randolph, Stokes, Yadkin

Greenville-Spartanburg, SC—Greenville,

Pickens, Spartanburg

Guilford, MS (See Biloxi-Guilford)

Hagerstown, MD—Washington

Hamilton-Middletown, OH—Butler

Hammond, IN (See Gary-Hammond)

Harlingen, TX (See Brownsville-Harlingen)

Harrisburg-Lebanon-Carlisle, PA—Cumberland,

Dauphin, Lebanon, Perry

Hartford-New Britain-Middletown-Bristol,

CT—Hartford, Middlesex, Tolland

Hickory, NC—Alexander, Burke, Catawba

High Point, NC (See Greensboro-Winston-

Salem-High Point)

Hollywood, FL (See Fort Lauderdale-Hollywood-Pompano Beach)

Honolulu, HI—Honolulu

Hopkinsville, TN (See Clarksville-Hopkinsville)

Houma-Thibodaux, LA—Lafourche, Terrebonne

Houston, TX—Fort Bend, Harris, Liberty,

Montgomery, Waller

HOUSTON-GALVESTON-BRAZORIA CONSOL-

DATED AREA—Brazoria, Galveston-Texas City,

Houston, TX

Huntington-Ashland, WV-KY—

Kentucky Portion—Boyd, Carter, Greenup

Ohio Portion—Lawrence

West Virginia Portion—Cabell, Wayne

Huntsville, AL—Madison

Indianapolis, IN—Boone, Hamilton, Hancock,

Hendricks, Johnson, Marion, Morgan, Shelby

Iowa City, IA—Johnson

Jackson, MI—Jackson

Jackson, MS—Hinds, Madison, Rankin

Jackson, TN—Madison

Jacksonville, NC—Onslow

Jamestown-Dunkirk, NY—Chautauqua

Janesville-Beaumont, WI—Rock

Jersey City, NJ—Hudson

Johnson City-Kingsport-Bristol, TN-VA—

Tennessee Portion—Carter, Hawkins,

Sullivan, Unicoi, Washington

Virginia Portion—Bristol, Scott, Washington

Johnstown, PA—Cambria, Somerset

Joliet, IL—Grundy, Will

Joplin, MO—Jasper, Newton

Kalamazoo, MI—Kalamazoo

Kankakee, IL—Kankakee

Kansas City, MO-KS—

Kansas Portion—Johnson, Leavenworth,

Miami, Wyandotte

Missouri Portion—Cass, Clay, Jackson,

Lafayette, Platte, Ray

Kennewick, WA (See Richland-Kennewick-

Pasco)

Kenosha, WI—Kenosha

Killeen-Temple, TX—Bell, Coryell

Kingsport, TN (See Johnson City-Kingsport-

Bristol)

Knoxville, TN—Anderson, Blount, Grainger,

Jefferson, Knox, Sevier, Union

Kokomo, IN—Howard, Tipton

La Crosse, WI—La Crosse

Lafayette, LA—Lafayette, St. Martin

Lafayette-West Lafayette, IN—Tippecanoe

Lake Charles, LA—Calcasieu

Lake County, IL—Lake

Lakeland-Winter Haven, FL—Polk

Lancaster, PA—Lancaster

Lansing-East Lansing, MI—Clinton, Eaton,

Ingham

Laredo, TX—Webb

Las Cruces, NM—Dona Ana

Las Vegas, NV—Clark

Lawrence, KS—Douglas

Lawrence, MA (See Boston-Lawrence-Salem-

Lowell-Brockton)

Lawton, OK—Comanche

Leominster, MA (See Worcester-Fitchburg-

Leominster)

Lewiston-Auburn, ME—Androscoggin

Lexington-Fayette, KY—Bourbon, Clark,

Fayette, Jessamine, Scott, Woodford

Lima, OH—Allen, Auglaize

Lincoln, NE—Lancaster

Little Rock-North Little Rock, AR—Faulkner,

Lonoke, Pulaski, Saline

Lompoc, CA (See Santa Barbara-Santa Maria-

Lompoc)

Long Beach, CA (See Los Angeles-Long Beach)

Longmont, CO (See Boulder-Longmont)

Longview-Marshall, TX—Gregg, Harrison

Lorain-Elyria, OH—Lorain

Los Angeles-Long Beach, CA—Los Angeles

LOS ANGELES-ANAHEIM-RIVERSIDE CONSOL-

DATED AREA—Anaheim-Santa Ana, Los Angeles-

Long Beach, Oxnard-Ventura, Riverside-San

Bernardino, CA

Louisville, KY—

Indiana Portion—Clark, Floyd, Harrison

Kentucky Portion—Bullitt, Jefferson,

Oldham, Shelby

Loveland, CO (See Fort Collins-Loveland)

Lowell, MA (See Boston-Lawrence-Salem-

Lowell-Brockton)

Lubbock, TX—Lubbock

Lynchburg, VA—Amherst, Campbell, Lynchburg

Macon-Warner Robins, GA—Bibb, Houston,

Jones, Peach

Madison, WI—Dane

Manchester-Nashua, NH—Hillsborough

Mansfield, OH—Richland

Marietta, OH (See Parkersburg-

Marietta)

Marshall, TX (See Longview-Marshall)

McAllen-Edinburg-Mission—Hidalgo

Medford, OR—Jackson

Melbourne-Titusville-Palm Bay, FL—Brevard

Memphis, TN—

Arkansas Portion—Crittenden

Mississippi Portion—DeSoto

Tennessee Portion—Shelby, Tipton

Merced, CA—Merced

Meriden, CT (See New Haven-Waterbury-

Meriden)

Miami-Hialeah, FL—Dade

MIAMI-FORT LAUDERDALE CONSOLIDATED

AREA—Fort Lauderdale-Hollywood-Pompano

Beach, Miami-Hialeah, FL

Middlesex-Somerset-Hunterdon,

NJ—Hunterdon, Middlesex, Somerset

Middletown, CT (See Hartford-New Britain-

Middletown-Bristol)

Middletown, OH (See Hamilton-Middletown)

Midland, MI (See Saginaw-Bay City-Midland)

Midland, TX—Midland

Millville, NJ (See Vineland-Millville-Bridgeton)

Milwaukee, WI—Milwaukee, Ozaukee,

Washington, Waukesha

MILWAUKEE-RACINE CONSOLIDATED

AREA—Milwaukee, Racine, WI

Minneapolis-St. Paul, MN—

Minnesota Portion—Anoka, Carver, Chisago,

Dakota, Hennepin, Isanti, Ramsey, Scott,

Washington, Wright

Wisconsin Portion—St. Croix

Mishawaka, IN (See South Bend-Mishawaka)
 Mission, TX—(See McAllen-Edinburg-Mission)
 Mobile, AL—Baldwin, Mobile
 Modesto, CA—Stanislaus
 Moline, IL (See Davenport-Rock Island-Moline)
 Monmouth-Ocean, NJ—Monmouth, Ocean
 Monroe, LA—Ouachita
 Monterey, CA (See Salinas-Seaside-Monterey)
 Montgomery, AL—Autauga, Elmore, Montgomery
 Moorehead, MN (See Fargo-Moorehead)
 Muncie, IN—Delaware
 Muskegon, MI—Muskegon

Napa, Ca (See Vallejo-Fairfield-Napa)
 Naples, FL—Collier
 Nashua, NH (See Manchester-Nashua)
 Nashville, TN—Cheatham, Davidson, Dickson, Robertson, Rutherford, Sumner, Williamson, Wilson
 Nassau-Suffolk, NY—Nassau, Suffolk
 Neenah, WI (See Appleton-Oshkosh-Neenah)
 New Bedford-Fall River-Attleboro, MA—Bristol
 New Britain, CT (See Hartford-New Britain-Middletown, Bristol)
 New Haven-Waterbury-Meriden, CT—New Haven
 New London-Norwich, CT—New London
 New Orleans, LA—Jefferson, Orleans, St. Bernard, St. Charles, St. John the Baptist, St. Tammany
 New York, NY—Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland, Westchester
 NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND CONSOLIDATED AREA - Bergen-Passaic, NJ; Bridgeport-Stamford-Norwalk-Danbury, CT; Jersey City, Middlesex-Somerset-Hunterdon, Monmouth-Ocean, NJ; Nassau-Suffolk, New York, NY; Newark, NJ; Orange County, NY
 Newark, NJ—Essex, Morris, Sussex, Union
 Newport News, VA (See Norfolk-Virginia Beach-Newport News)
 Niagara Falls, NY—Niagara
 Norfolk-Virginia Beach-Newport News, VA—Chesapeake, Gloucester, Hampton, James City, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, Williamsburg, York
 Normal, IL (See Bloomington-Normal)
 North Little Rock, AR (See Little Rock-North Little Rock)
 Norwalk, CT (See Bridgeport-Stamford-Norwalk-Danbury)
 Norwich, CT (See New London-Norwich)

Oakland, CA—Alameda, Contra Costa
 Ocala, FL—Marion
 Odessa, TX—Ector
 Ogden, UT (See Salt Lake City-Ogden)
 Oklahoma City, OK—Canadian, Cleveland, Logan, McClain, Oklahoma, Pottawatomie
 Olympia, WA—Thurston
 Omaha, NE -

Iowa Portion—Pottawatomie
 Nebraska Portion—Douglas, Sarpy,

Washington
 Orange County, NY—Orange
 Orem, UT (See Provo-Orem)
 Orlando, FL—Orange, Osceola, Seminole
 Oshkosh, WI (See Appleton-Oshkosh-Neenah)
 Owensboro, KY—Davies
 Oxnard-Ventura, CA—Ventura

Palm Bay, FL (See Melbourne-Titusville-Palm Bay)

Panama City, FL—Bay
 Parkersburg-Marietta, WV-OH

OH Portion—Washington
 West Virginia Portion—Wood

Pascagoula, MS—Jackson
 Pasco, WA (See Richland-Kennewick-Pasco)

Passaic, NJ—(See Bergen-Passaic)
 Pawtucket, RI (See Providence-Pawtucket-Woonsocket)

Pensacola, FL—Escambia, Santa Rosa
 Peoria, IL—Peoria, Tazewell, Woodford

Petersburg, VA (See Richmond-Petersburg)
 Philadelphia, PA—

New Jersey Portion—Burlington, Camden, Gloucester

Pennsylvania Portion—Bucks, Chester, Delaware, Montgomery, Philadelphia

PHILADELPHIA-WILMINGTON-TRENTON CONSOLIDATED AREA - Philadelphia, PA; Trenton,

Vineland-Millville-Bridgeton, NJ; Wilmington, DE
 Phoenix, AZ—Maricopa

Pine Bluff, AR—Jefferson
 Pittsburgh, PA—Allegheny, Fayette, Washington, Westmoreland

PITTSBURGH-BEAVER VALLEY CONSOLIDATED AREA - Beaver County, Pittsburgh, PA

Pittsfield, MA—Berkshire
 Pompano Beach, FL (See Fort Lauderdale-Hollywood-Pompano Beach)

Port Arthur, TX (See Beaumont-Port Arthur)
 Portland, ME—Cumberland

Portland, OR—Clackamas, Multnomah, Washington, Yamhill

PORTLAND-VANCOUVER CONSOLIDATED AREA - Portland, OR; Vancouver, WA

Portsmouth-Dover-Rochester, NH—Rockingham, Strafford

Poughkeepsie, NY—Dutchess
 Providence-Pawtucket-Woonsocket,

RI—Bristol, Kent, Providence, Washington
 Provo-Orem, UT—Utah

Pueblo, CO—Pueblo

Racine, WI—Racine

Raleigh-Durham, NC—Durham, Franklin, Orange, Wake

Rantoul, IL (See Champaign-Urbana-Rantoul)
 Rapid City, SD—Pennington

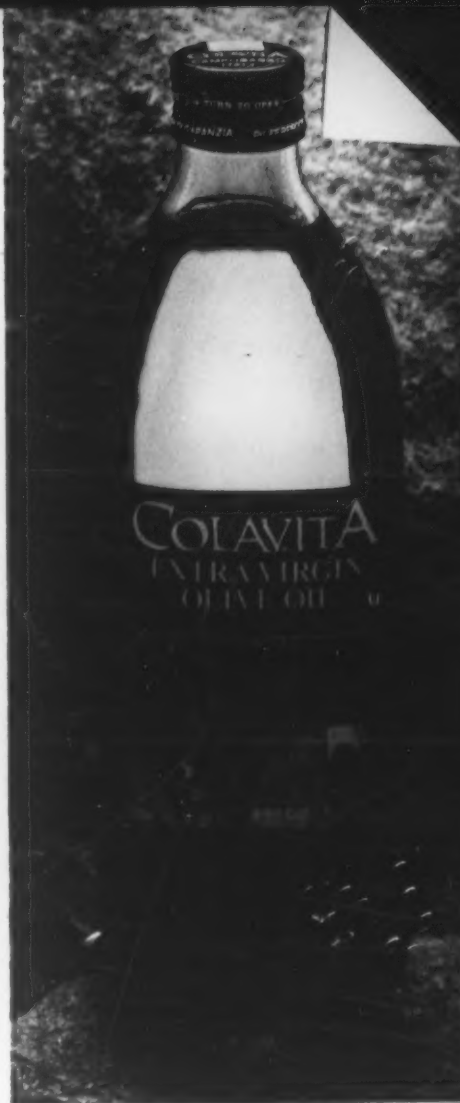
Reading, PA—Berks
 Redding, CA—Shasta

Reno, NC—Wahoe

Richland-Kennewick-Pasco, WA—Benton, Franklin

Richmond-Petersburg, VA—Charles City, Chesterfield, Colonial Heights City, Dinwiddie,

Goochland, Hanover, Henrico, Hopewell City, New Kent, Petersburg City, Pawhattan, Prince



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*Taste-Per-Tablespoon.

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 nutritionist
 on the
 benefits of
 olive oil.

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1991 Metro Areas

George, Richmond City
Riverside-San Bernardino, CA—Riverside, San Bernardino
Roanoke, VA—Botetourt, Roanoke, Roanoke City, Salem City
Rochester, MN—Olmsted
Rochester, NY—Livingston, Monroe, Ontario, Orleans, Wayne

Rockford, IL—Boone, Winnebago
Rock Hill, SC (See Charlotte-Gastonia-Rock Hill)
Rock Island, IL (See Davenport-Rock Island-Moline)
Rome, NY (See Utica-Rome)

Sacramento, CA—El Dorado, Placer,

Sacramento, Yolo
Saginaw-Bay City-Midland, MI—Bay, Midland, Saginaw
St. Cloud, MN—Benton, Sherburne, Stearns
St. Joseph, MO—Buchanan
St. Louis, MO-IL—
Illinois Portion—Clinton, Jersey, Madison, Monroe, St. Clair

Missouri Portion—Franklin, Jefferson, St. Charles, St. Louis, St. Louis City
St. Paul, MN (See Minneapolis-St. Paul)
St. Petersburg, FL (See Tampa-St. Petersburg-Clearwater)
Salem, MA (See Boston-Lawrence-Salem-Lowell-Brockton)
Salem, OR—Marion, Polk
Salinas-Seaside-Monterey, CA—Monterey
Salt Lake City-Ogden, UT—David, Salt Lake, Weber

San Angelo, TX—Tom Green
San Antonio, TX—Bexar, Comal, Guadalupe
San Bernardino, CA (See Riverside-San Bernardino)

San Diego, CA—San Diego
San Francisco, CA—Marin, San Francisco, San Mateo

SAN FRANCISCO-OAKLAND-SAN JOSE CONSOLIDATED AREA—Oakland, San Francisco, San Jose, Santa Cruz, Santa Rosa-Petaluma, Vallejo-Fairfield-Napa, CA

San Jose, CA—Santa Clara
Santa Ana, CA (See Anaheim-Santa Ana)
Santa Barbara-Santa Maria-Lompoc, CA—Santa Barbara

Santa Cruz, CA—Santa Cruz
Santa Fe, NM—Los Alamos, Santa Fe
Santa Maria, CA (See Santa Barbara-Santa Maria-Lompoc)

Santa Rosa-Petaluma, CA—Sonoma
Sarasota, FL—Sarasota
Savannah, GA—Chatham, Ellingham

Schenectady, NY (See Albany-Schenectady-Troy)

Scranton-Wilkes-Barre, PA—Columbia, Lackawanna, Luzerne, Monroe, Wyoming
Seaside, CA (See Salinas-Seaside-Monterey)
Seattle, WA—King, Snohomish

SEATTLE-TACOMA CONSOLIDATED—Seattle, Tacoma, WA

Sharon, PA—Mercer
Sheboygan, WI—Sheboygan
Sherman-Denison, TX—Grayson
Shreveport, LA—Bossier, Caddo
Sioux City, IA—

Iowa Portion—Woodbury
Nebraska Portion—Dakota

Sioux Falls, SD-Minnehaha
South Bend-Mishawaka, IN—St. Joseph
Spartanburg, SC (See Greenville-Spartanburg)

Spokane, WA—Spokane
Springdale, AR (See Fayetteville-Springdale)

Springfield, IL—Menard, Sangamon
Springfield, MA—Hampden, Hampshire

Springfield, OH (See Dayton-Springfield)
Springfield, OR (See Eugene-Springfield)

Stamford, CT (See Bridgeport-Stamford)

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Norwalk-Danbury)

State College, PA—Centre

Steubenville-Weirton, OH-WV -

Ohio Portion—Jefferson

West Virginia Portion—Brooke, Hancock

Stockton, CA—San Joaquin

Syracuse, NY—Madison, Onondaga, Oswego

Tacoma, WA—Pierce

Tallahassee, FL—Gadsden, Leon

Tampa-St. Petersburg-Clearwater,

FL—Hernando, Hillsborough, Pasco, Pinellas

Temple, TX (See Killeen-Temple)

Terre Haute, IN—Clay, Vigo

Texarkana, TX-AR -

Arkansas Portion—Miller

Texas Portion—Bowie

Texas City, TX (See Galveston-Texas City)

Titusville, FL (See Melbourne-Titusville-

Palm Bay)

Toledo, OH—Fulton, Lucas, Wood

Topeka, KS—Shawnee

Trenton, NJ—Mercer

Troy, NY—(See Albany-Schenectady-Troy)

Tucson, AZ—Pima

Tulsa, OK—Creek, Osage, Rogers, Tulsa,

Wagoner

Tuscaloosa, AL—Tuscaloosa

Tyler, TX—Smith

Urbana, IL (See Champaign-Urbana-Rantoul)

Utica-Rome, NY—Herkimer, Oneida

Vallejo-Fairfield-Napa, CA—Napa, Solano

Vancouver, WA—Clark

Ventura, CA (See Oxnard-Ventura)

Victoria, TX—Victoria

Vineland-Millville-Bridgeton, NJ—Cumberland

Virginia Beach, VA (See Norfolk-Virginia Beach-

Newport News)

Visalia-Tulare-Porterville, CA—Tulare

Waco, TX—McLennan

Warren, OH (See Youngstown-Warren)

Washington, DC - District of Columbia

Portion—District of Columbia

Maryland Portion—Calvert, Charles,

Frederick, Montgomery, Prince George's

Virginia Portion—Alexandria City, Arlington,

Fairfax, Fairfax City, Falls Church City, Loudoun,

Manassas City, Manassas Park City, Prince

William, Stafford

Waterbury, CT (See New Haven-Waterbury-

Meriden)

Waterloo-Cedar Falls, IA—Black Hawk, Bremer

Wausau, WI—Marathon

Weirton, OH (See Steubenville-Weirton)

West Palm Beach-Boca Raton-DeLray Beach,

FL—Palm Beach

Wheeling, WV -

Ohio Portion—Beimont

West Virginia Portion—Marshall

Wichita, KS—Butler, Sedgwick

Wichita Falls, TX—Wichita

Wilkes-Barre, PA (See Scranton-Wilkes-Barre)

Williamsport, PA—Lycoming

Wilmington, DE -

Delaware Portion—New Castle

Maryland Portion—Ceil

New Jersey Portion—Salem

Wilmington, NC—New Hanover

Winston-Salem, NC

(See Greensboro-Winston-

Salem-High Point)

Winter haven, FL (See Lakeland-Winter Haven)

Woonsocket, RI (See Providence-Pawtucket-

Woonsocket)

Worcester-Fitchburg-Leominster,

MA—Worcester

Yakima, WA—Yakima

York, PA—Adams, York

Youngstown-Warren, OH—Mahoning, Trumbull

Yuba City, CA—Sutter, Yuba

Yuma, AZ—Yuma

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1991 Metro Report

This section of the Restaurant Growth Index provides sales, unit counts, market share, and RAI and RGI indices for 320 metropolitan statistical areas.

	12/31/91		1991										
STATE	Population	% of	Average	Per	Eating &	Eating Place		Fast Food	Restaurant				
Metro Name	(Thous.)	U.S.	House- hold Size	Capita EBI	Drinking Place Sales (\$000)	Sales (\$000)	Units	Market Share (\$000) (%)	Market Share (\$000) (%)	RAI	RGI		
ALABAMA													
Anniston	116.7	0.0460	2.71	11,346	74,139	71,412	107	43,353	61	21,459	30	176	105
Birmingham	917.1	0.3617	2.63	13,822	593,074	578,918	967	316,279	55	193,720	33	104	103
Decatur	102.8	0.0406	2.64	13,507	58,360	56,436	119	39,472	70	13,755	24	98	87
Dothan	133.0	0.0525	2.70	12,257	96,203	93,102	157	56,522	61	27,976	30	102	90
Florence	131.3	0.0517	2.57	11,891	75,638	73,585	147	44,674	61	22,110	30	79	84
Gadsden	99.8	0.0394	2.58	10,928	51,650	50,390	108	30,591	61	15,141	30	84	79
Huntsville	248.2	0.0978	2.61	16,051	185,320	177,481	300	107,749	61	53,333	30	111	114
Mobile	483.7	0.1907	2.74	11,892	302,656	286,144	506	153,003	53	106,736	37	93	95
Montgomery	298.9	0.1179	2.78	13,024	206,214	200,450	314	121,693	61	60,232	30	123	102
Tuscaloosa	153.4	0.0605	2.72	12,166	90,036	86,953	164	52,791	61	26,129	30	102	94
Non-Metro Portion of State	1,357.1	0.5350	2.70	10,121	445,320	439,298	1,070	307,920	70	107,213	24	55	94
State Total	4,089.4	1.6124	2.68	12,080	2,196,114	2,133,082	4,003	1,285,304	60	653,660	31	87	97
ALASKA													
Anchorage	232.4	0.0916	2.74	19,885	419,996	383,503	333	124,326	32	155,057	40	155	121
Non-Metro Portion of State	337.8	0.1332	3.04	16,436	265,744	202,211	359	83,607	41	100,918	50	58	118
State Total	570.2	0.2248	2.91	17,842	685,740	585,714	692	207,933	36	255,975	44	99	119
ARIZONA													
Phoenix	2,224.8	0.8772	2.62	14,055	1,862,810	1,733,726	2,483	697,311	40	833,294	48	90	116
Tucson	690.5	0.2722	2.54	12,286	471,972	434,202	802	186,421	43	209,155	48	89	88
Yuma	112.1	0.0442	3.04	10,003	58,046	52,995	114	20,967	40	28,886	55	72	76
Non-Metro Portion of State	798.1	0.3147	2.92	9,819	394,373	362,457	883	143,404	40	197,587	55	65	76
State Total	3,825.5	1.5083	2.67	12,733	2,787,201	2,583,380	4,282	1,048,103	41	1,288,922	49	85	101
ARKANSAS													
Fayetteville - Springdale	116.6	0.0460	2.61	12,287	66,126	64,345	148	34,963	54	22,389	35	68	82
Fort Smith	180.1	0.0709	2.63	11,645	126,490	124,921	243	66,938	54	42,878	34	85	75
Little Rock - North Little Rock	521.2	0.2056	2.62	13,845	351,051	343,966	629	174,350	51	127,805	37	97	99
Pine Bluff	85.9	0.0339	2.85	10,539	42,169	40,653	88	22,088	54	14,144	35	77	90
Texarkana	120.8	0.0477	2.67	11,972	69,123	68,620	132	31,794	46	27,182	40	95	77
Non-Metro Portion of State	1,416.6	0.5584	2.62	10,640	505,986	497,126	1,411	289,577	58	168,069	34	54	79
State Total	2,374.8	0.9363	2.63	11,813	1,124,173	1,102,656	2,583	613,343	56	389,712	35	68	84
CALIFORNIA													
Anaheim - Santa Ana	2,510.6	0.9899	2.95	18,812	2,743,687	2,596,666	3,393	984,578	38	1,369,936	53	154	110
Bakersfield	581.5	0.2293	3.01	12,180	382,008	358,350	582	185,143	52	157,837	44	108	95
Chico	190.1	0.0749	2.54	12,063	125,090	114,924	224	43,716	38	61,226	53	95	69
Fresno	709.4	0.2797	3.04	11,730	508,919	478,217	742	226,534	47	221,563	46	120	89
Los Angeles - Long Beach	9,087.0	3.5828	2.98	15,503	8,524,056	8,110,289	10,593	2,923,305	36	4,337,682	53	133	110
Merced	186.7	0.0736	3.25	10,605	80,422	76,107	153	28,950	38	40,546	53	67	96
Modesto	394.6	0.1556	2.97	12,662	253,344	242,168	377	92,120	38	129,016	53	87	94
Oakland	2,149.1	0.8474	2.69	18,307	1,931,184	1,838,152	2,714	714,497	39	959,376	52	118	103
Oxnard - Ventura	688.3	0.2714	3.10	17,133	537,365	517,943	748	218,132	42	267,244	52	114	111
Redding	156.4	0.0617	2.62	12,302	109,224	100,370	206	38,179	38	53,472	53	75	74
Riverside - San Bernardino	2,823.7	1.1134	3.00	13,647	1,864,473	1,786,874	2,499	856,202	48	832,396	47	104	110

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						Sales (\$000)	Units	Sales (\$000)	Share (%)	Sales (\$000)	Share (%)		
Sacramento	1,569.8	0.6189	2.67	15,419	1,372,471	1,287,411	1,999	556,000	43	646,916	50	115	96
Salinas - Seaside - Monterey	367.4	0.1448	3.17	14,304	337,408	316,220	493	104,867	33	205,414	65	156	102
San Diego	2,604.4	1.0268	2.83	15,681	2,335,486	2,206,415	3,058	853,084	39	1,182,102	54	132	112
San Francisco	1,631.2	0.6432	2.51	20,843	2,630,665	2,448,101	3,324	620,664	25	1,509,990	62	180	98
San Jose	1,532.8	0.6043	2.91	19,456	1,531,440	1,459,583	1,959	557,397	38	763,048	62	147	122
Santa Barbara - Santa Maria - Lompoc	378.8	0.1494	2.86	16,558	406,871	389,086	549	127,900	33	243,318	63	123	88
Santa Cruz	234.5	0.0925	2.77	16,920	234,696	210,646	389	80,128	38	112,223	53	106	73
Santa Rosa - Petaluma	407.7	0.1607	2.61	16,813	350,596	326,123	509	116,371	36	176,280	54	93	94
Stockton	501.7	0.1978	3.07	12,546	348,190	332,314	522	160,022	48	158,538	48	103	88
Vallejo - Fairfield - Napa	479.5	0.1891	2.93	14,906	338,899	316,567	487	146,155	46	162,723	51	110	108
Visalia - Tulare - Porterville	328.1	0.1292	3.21	10,669	134,623	127,702	318	48,577	38	68,033	53	57	83
Yuba City	129.1	0.0510	2.86	11,404	58,991	54,750	123	20,828	38	29,166	53	59	84
Non-Metro Portion of State	1,332.6	0.5252	2.80	12,566	903,665	833,024	1,847	313,106	38	493,798	59	90	71
State Total	30,975.0	12.2127	2.88	15,643	28,043,773	26,530,002	37,808	10,016,455	38	14,181,843	53	127	104

COLORADO

Boulder - Longmont	290.0	0.0906	2.54	17,673	222,162	209,933	361	75,370	36	110,528	53	99	88
Colorado Springs	414.9	0.1635	2.69	13,825	298,173	273,122	501	119,660	44	125,451	46	113	93
Denver	1,652.8	0.6516	2.50	16,993	1,505,129	1,387,938	2,110	476,189	34	724,220	52	103	108
Fort Collins - Loveland	196.4	0.0774	2.64	14,005	155,311	144,315	238	51,813	36	75,980	53	99	91
Greeley	133.6	0.0527	2.78	12,019	71,034	64,109	131	23,017	36	33,751	53	74	93
Pueblo	124.1	0.0489	2.61	10,749	89,381	79,393	156	28,503	36	41,798	53	81	75
Non-Metro Portion of State	616.1	0.2432	2.61	12,496	589,211	565,828	1,173	186,042	34	316,309	57	123	70
State Total	3,367.9	1.3279	2.57	15,225	2,930,401	2,709,641	4,670	962,594	36	1,428,037	53	105	93

CONNECTICUT

Bridgeport - Stamford - Norwalk													
Danbury	825.3	0.3254	2.72	25,198	717,011	683,539	1,154	181,916	27	399,512	58	95	100
Hartford - New Britain													
Middletown - Bristol	1,136.9	0.4481	2.65	19,020	974,614	924,410	1,523	287,977	31	505,317	55	122	110
New Haven - Waterbury - Meriden	812.0	0.3202	2.64	17,774	707,212	662,544	1,036	214,767	32	376,428	57	103	99
New London - Norwich	257.6	0.1016	2.73	16,818	210,759	196,264	348	67,655	34	109,578	56	113	97
Non-Metro Portion of State	282.1	0.1113	2.67	17,574	163,782	154,401	354	53,865	35	87,240	57	79	88
State Total	3,313.9	1.3066	2.67	19,959	2,773,378	2,621,158	4,415	806,160	31	1,478,075	56	105	102

DELAWARE

Wilmington	592.2	0.2334	2.72	16,312	393,815	364,741	616	149,739	41	178,947	49	86	124
Non-Metro Portion of State	231.7	0.0913	2.72	12,382	215,811	206,901	352	86,846	42	100,301	48	121	73
State Total	824.1	0.2697	2.70	15,261	540,870	515,345	848	214,342	42	248,339	48	98	103

DISTRICT OF COLUMBIA

Washington	4,055.2	1.5992	2.70	20,420	3,615,325	3,519,620	4,946	1,205,821	34	1,788,661	51	123	137
State Total	597.4	0.2356	2.44	17,998	864,527	814,773	1,161	196,774	24	443,076	54	283	147

FLORIDA

Bradenton	220.5	0.0870	2.32	14,243	190,590	181,447	222	66,476	37	98,806	54	102	87
Daytona Beach	389.2	0.1534	2.42	13,086	341,362	313,012	502	127,668	41	160,864	51	99	86
Fort Lauderdale - Hollywood - Pompano Beach	1,298.2	0.5118	2.37	16,953	1,339,372	1,231,924	1,842	372,514	30	765,779	62	112	93

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						Sales (\$000)	Units	Sales (\$000)	Share (%)	Sales (\$000)	Share (%)		
Fort Myers - Cape Coral	357.0	0.1408	2.39	15,598	329,727	317,286	466	89,798	28	203,727	64	108	88
Fort Pierce	267.3	0.1054	2.48	15,857	185,405	178,732	305	65,482	37	97,323	54	87	77
Fort Walton Beach	149.8	0.0591	2.70	13,077	148,129	140,680	235	51,538	37	76,605	54	143	82
Gainesville	206.9	0.0824	2.59	12,107	168,526	162,093	269	59,386	37	88,263	54	96	98
Jacksonville	943.5	0.3720	2.64	13,993	840,795	798,520	1,164	399,498	50	334,451	42	119	105
Lakeland - Winter Haven	418.4	0.1649	2.60	12,178	239,334	229,935	406	111,914	49	101,434	44	77	100
Melbourne - Titusville - Palm Bay	419.8	0.1655	2.46	15,104	316,578	294,490	497	112,179	38	146,308	50	105	89
Miami - Hialeah	1,988.4	0.7840	2.80	13,149	1,661,530	1,561,813	2,367	504,299	32	832,079	53	120	106
Naples	164.1	0.0647	2.48	20,670	167,777	163,166	235	59,780	37	88,849	54	99	112
Ocala	206.4	0.0814	2.48	11,607	144,218	138,895	202	50,887	37	75,632	54	93	77
Orlando	1,139.5	0.4492	2.67	14,724	1,281,802	1,231,637	1,433	414,281	34	712,911	58	141	160
Panama City	131.8	0.0520	2.59	12,259	171,860	155,292	215	56,893	37	84,560	54	125	72
Pensacola	353.8	0.1394	2.68	12,411	253,553	233,513	385	126,836	54	92,791	40	102	98
Sarasota	287.8	0.1135	2.21	17,580	280,920	271,165	441	66,283	24	184,304	68	112	74
Tallahassee	241.8	0.0953	2.65	13,106	196,719	185,492	272	67,956	37	101,006	54	109	119
Tampa - St. Petersburg - Clearwater	2,142.5	0.8447	2.38	14,195	1,677,413	1,581,354	2,535	594,612	38	830,757	53	99	96
West Palm Beach - Boca Raton - Delray Beach	926.8	0.3655	2.36	19,017	897,176	847,409	1,167	236,299	28	555,707	66	120	102
Non-Metro Portion of State	1,237.4	0.4879	2.53	12,020	720,270	670,127	1,216	299,711	45	342,867	51	71	82
State Total	13,402.9	5.3199	2.52	14,455	11,553,056	10,887,982	16,376	3,934,290	36	5,975,022	55	108	101
GEORGIA													
Albany	111.7	0.0441	2.86	10,389	71,090	69,020	130	34,892	51	26,194	38	81	96
Athens	159.8	0.0629	2.71	11,402	108,668	105,249	182	53,228	51	39,954	38	120	85
Atlanta	3,093.8	1.1841	2.68	16,173	2,754,778	2,615,941	4,036	1,206,900	46	1,069,675	41	135	106
Augusta	404.1	0.1593	2.78	12,091	286,600	277,784	428	144,765	52	95,436	34	100	104
Columbus	246.7	0.0972	2.81	11,164	170,745	162,713	281	82,166	50	61,831	38	106	77
Macon - Warner Robins	286.8	0.1131	2.72	12,584	213,004	203,919	335	103,097	51	77,398	38	114	97
Savannah	247.5	0.0975	2.70	12,374	197,581	190,716	303	96,426	51	72,391	38	107	92
Non-Metro Portion of State	2,303.5	0.9084	2.79	10,251	997,185	956,371	2,182	603,877	63	304,041	32	64	91
State Total	6,708.7	2.6451	2.74	13,227	4,743,524	4,526,756	7,804	2,302,200	51	1,723,037	38	104	99
HAWAII													
Honolulu	852.1	0.3360	3.14	17,171	1,611,005	1,507,618	1,209	538,941	36	723,748	48	215	156
Non-Metro Portion of State	286.0	0.1127	2.99	14,968	484,419	468,854	472	122,853	26	318,900	68	129	193
State Total	1,138.1	0.4487	3.10	16,617	2,095,424	1,976,472	1,681	661,794	33	1,042,648	53	186	186
IDAHOO													
Boise	210.9	0.0832	2.66	15,140	172,069	159,729	287	71,081	45	76,948	48	87	96
Non-Metro Portion of State	812.3	0.3202	2.82	11,866	415,856	372,144	968	169,586	46	181,474	49	71	77
State Total	1,023.2	0.4034	2.78	12,541	587,925	531,873	1,255	240,667	45	258,422	49	75	82
ILLINOIS													
Aurora - Elgin	371.4	0.1464	2.97	17,119	245,734	226,410	440	92,528	41	108,525	48	109	100
Bloomington - Normal	131.7	0.0519	2.76	15,922	120,035	114,400	188	46,753	41	54,835	48	143	93
Champaign - Urbana - Rantoul	173.6	0.0685	2.70	14,301	169,541	152,727	228	62,415	41	73,204	48	170	100
Chicago	6,109.5	2.4088	2.74	17,464	5,278,839	4,935,123	7,422	1,765,842	36	2,571,448	52	129	117
Davenport - Rock Island - Moline	346.5	0.1366	2.57	14,094	291,969	256,923	443	117,003	46	116,280	45	102	89
Decatur	115.4	0.0455	2.55	14,554	99,845	89,080	141	36,405	41	42,698	48	125	100
Joliet	398.4	0.1570	3.03	16,199	202,482	185,039	376	75,620	41	88,692	48	107	109



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ILLINOIS	Kankakee	96.2	0.0380	2.79	13,096	51,610	47,746	106	19,510	41	22,885	85
	Lake County	537.1	0.2118	2.97	23,367	444,575	412,243	657	153,107	37	213,978	123
	Pegonia	338.3	0.1333	2.62	14,753	234,023	215,901	424	100,964	47	88,349	99
	Rockford	285.6	0.1127	2.63	15,549	220,669	201,023	363	82,151	41	96,356	108
	Springfield	191.4	0.0755	2.48	16,316	134,863	124,431	274	50,858	41	59,647	105
	Non-Metro Portion of State	1,975.6	0.7790	2.62	12,645	1,014,111	907,459	2,315	492,004	54	357,682	82
	State Total	11,511.6	4.5389	2.73	16,324	6,736,103	6,060,029	13,845	3,199,782	40	3,957,487	116
INDIANA	Anderson	130.6	0.0515	2.63	12,341	84,413	75,401	143	39,196	52	29,494	93
	Bloomington	110.7	0.0436	2.76	12,015	95,436	88,802	156	46,161	52	34,735	132
	Elkhart - Goshen	159.4	0.0628	2.76	14,005	107,800	102,467	210	53,264	52	40,082	100
	Evansville	280.2	0.1105	2.56	13,606	224,795	212,332	382	110,435	52	83,006	114
	Fort Wayne	369.8	0.1458	2.67	14,434	297,149	271,845	475	116,521	43	141,817	121
	Gary - Hammond	603.0	0.2378	2.80	13,049	373,820	354,537	706	175,501	50	149,917	98
	Indianapolis	1,272.8	0.5017	2.60	15,650	1,164,472	1,102,949	1,651	584,842	53	382,709	146
	Kokomo	96.1	0.0380	2.58	14,002	79,140	73,481	144	38,198	52	28,742	118
	Lafayette - West Lafayette	132.3	0.0521	2.86	13,374	108,715	99,640	173	51,794	52	38,976	129
	Muncie	119.0	0.0469	2.64	12,699	83,355	77,387	136	40,226	52	30,272	134
	South Bend - Mishawaka	249.5	0.0984	2.67	13,650	205,020	189,435	347	98,473	52	74,102	110
	Terre Haute	130.0	0.0513	2.66	12,247	95,780	89,231	162	46,384	52	34,903	129
	Non-Metro Portion of State	1,760.2	0.6940	2.72	12,054	875,811	807,384	1,970	445,812	55	297,280	85
	State Total	5,594.4	2.2057	2.68	13,456	3,699,381	3,640,638	6,647	1,903,806	52	1,399,684	111
IOWA	Cedar Rapids	170.5	0.0672	2.58	16,006	154,684	140,460	227	61,980	44	66,036	111
	Davenport - Rock Island - Moline	346.5	0.1366	2.57	14,094	291,969	256,923	443	117,003	46	116,280	102
	Des Moines	401.3	0.1582	2.57	16,115	343,621	315,060	523	129,984	41	144,514	106
	Dubuque	86.0	0.0339	2.80	13,198	71,624	63,941	126	28,215	44	30,062	97
	Iowa City	98.1	0.0387	2.67	15,553	88,389	77,133	113	34,035	44	36,261	93
	Sioux City	115.7	0.0455	2.68	13,292	90,289	80,034	146	35,297	44	37,628	85
	Waterloo - Cedar Falls	145.2	0.0573	2.66	13,073	96,990	86,587	184	38,208	44	40,708	93
	Non-Metro Portion of State	1,545.3	0.6093	2.59	12,577	745,231	658,809	2,005	291,481	44	336,693	65
	State Total	2,778.1	1.0853	2.60	13,564	1,762,415	1,576,434	3,598	691,631	44	760,194	80
KANSAS	Kansas City	1,607.2	0.6338	2.60	16,130	1,248,008	1,193,738	1,850	572,106	48	489,496	109
	Lawrence	84.5	0.0333	2.72	12,858	68,967	63,924	90	33,230	52	23,869	121
	Topeka	163.3	0.0644	2.52	15,298	136,866	127,919	239	66,496	52	47,766	117
	Wichita	464.4	0.1831	2.59	15,297	390,745	376,504	669	181,624	48	147,868	111
	Non-Metro Portion of State	1,162.8	0.4585	2.61	11,983	599,231	567,720	1,587	299,731	53	213,480	78
KENTUCKY	Clarksville - Hopkinsville	172.4	0.0679	3.02	11,212	95,722	90,606	183	46,726	52	36,057	123
	Huntington - Ashland	311.0	0.1226	2.61	11,334	169,233	163,495	336	97,372	60	52,470	90
	Lexington-Fayette	355.6	0.1402	2.60	14,978	334,220	322,731	475	160,484	50	124,561	134
	Louisville	956.6	0.3772	2.59	14,242	785,684	741,228	1,101	403,909	54	273,213	115
	Owensboro	87.4	0.0344	2.63	12,665	56,818	52,556	109	29,834	57	18,555	83
	Non-Metro Portion of State	1,977.3	0.7797	2.70	10,214	823,965	809,080	1,726	527,679	65	236,670	64
	State Total	3,704.2	1.4806	2.67	12,037	2,270,832	2,185,009	3,748	1,235,800	57	776,425	91

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LOUISIANA													
Alexandria	132.0	0.0520	2.87	11,374	73,528	70,636	132	33,619	48	26,234	37	71	93
Baton Rouge	533.0	0.2101	2.80	13,883	304,753	289,460	505	144,907	50	104,392	36	59	118
Houma - Thibodaux	182.8	0.0721	3.02	10,841	97,049	92,316	163	43,937	48	34,285	37	56	92
Lafayette	209.9	0.0827	2.78	12,246	176,663	171,503	231	81,622	48	63,694	37	82	97
Lake Charles	170.1	0.0671	2.80	12,589	96,044	92,724	145	44,129	48	34,436	37	59	114
Monroe	142.8	0.0563	2.83	11,581	116,053	114,206	167	54,352	48	42,415	37	85	86
New Orleans	1,244.0	0.4904	2.72	13,559	1,090,904	1,014,547	1,434	413,583	41	443,415	44	92	109
Shreveport	336.4	0.1326	2.70	12,814	224,630	216,304	337	111,746	52	81,373	38	93	102
Non-Metro Portion of State	1,287.4	0.5078	2.93	9,493	387,611	371,017	832	228,705	62	106,741	29	39	105
State Total	4,238.4	1.6711	2.82	11,950	2,567,235	2,432,713	3,946	1,156,600	48	936,965	39	69	106
MAINE													
Bangor	148.6	0.0586	2.71	12,720	105,919	101,919	177	36,600	36	58,629	58	77	91
Lewiston - Auburn	107.0	0.0422	2.62	13,038	80,733	77,678	124	27,892	36	44,686	58	78	89
Portland	247.4	0.0976	2.57	16,114	301,664	289,130	408	103,829	36	166,327	58	114	92
Non-Metro Portion of State	744.9	0.2936	2.64	12,767	515,542	496,906	1,085	178,820	36	286,442	58	81	74
State Total	1,247.9	0.4920	2.63	13,448	1,003,858	965,633	1,794	347,141	36	556,084	58	88	81
MARYLAND													
Baltimore	2,430.9	0.9585	2.71	15,776	1,742,179	1,589,540	2,645	664,794	42	672,256	42	100	114
Cumberland	101.5	0.0400	2.56	10,713	62,485	59,159	140	24,924	42	26,737	45	91	66
Hagerstown	122.7	0.0483	2.71	12,378	67,311	60,710	140	25,581	42	27,435	45	70	93
Non-Metro Portion of State	350.7	0.1382	2.70	13,176	331,360	314,939	499	126,197	40	174,064	55	120	82
State Total	4,915.9	1.9382	2.74	16,710	3,515,550	3,296,555	5,405	1,354,135	41	1,506,434	46	98	113
MASSACHUSETTS													
Boston - Lawrence - Salem - Lowell - Brockton	3,785.8	1.4927	2.69	18,563	4,432,429	4,148,732	5,236	1,104,659	27	2,440,673	59	135	114
New Bedford - Fall River - Attleboro	511.4	0.2017	2.70	14,342	493,891	457,270	650	175,956	38	238,218	52	104	85
Pittsfield	138.0	0.0544	2.56	15,238	155,210	143,262	244	40,484	28	94,031	66	118	78
Springfield	607.6	0.2395	2.73	14,520	574,618	516,110	720	172,859	33	302,943	59	119	95
Worcester - Fitchburg - Leominster	723.0	0.2850	2.73	15,858	609,849	567,774	844	189,663	33	316,625	56	118	102
Non-Metro Portion of State	282.5	0.1114	2.43	16,322	507,644	477,070	724	97,913	21	358,475	75	157	58
State Total	6,048.3	2.3847	2.68	17,206	6,773,641	6,310,218	8,418	1,781,534	28	3,750,965	59	130	103
MICHIGAN													
Ann Arbor	287.5	0.1133	2.70	16,844	279,210	265,799	362	110,666	42	131,570	49	151	128
Battle Creek	137.1	0.0540	2.62	13,153	102,660	93,783	182	39,049	42	46,421	49	111	85
Benton Harbor	162.3	0.0640	2.64	13,199	132,845	122,532	214	51,018	42	60,653	49	129	77
Detroit	4,402.0	1.7355	2.71	15,695	3,343,136	3,075,623	4,890	1,272,441	41	1,445,160	47	125	105
Flint	428.4	0.1689	2.66	14,150	280,349	249,197	488	118,283	47	112,926	45	95	94
Grand Rapids	707.6	0.2790	2.81	14,676	490,839	458,625	736	178,617	39	248,090	54	127	121
Jackson	152.1	0.0600	2.79	13,047	87,373	78,646	162	32,744	42	38,928	49	105	93
Kalamazoo	226.1	0.0891	2.67	14,763	184,597	173,923	282	72,415	42	86,091	49	172	104
Lansing - East Lansing	437.4	0.1725	2.76	14,430	322,405	291,415	489	130,258	45	145,146	50	138	113
Muskegon	161.4	0.0636	2.75	11,881	109,350	101,330	194	42,189	42	50,157	49	137	83
Saginaw - Bay City - Midland	398.8	0.1573	2.69	13,138	297,567	269,125	415	107,752	40	148,235	55	124	102
Non-Metro Portion of State	1,881.5	0.7420	2.73	11,466	983,878	858,778	2,277	344,754	40	470,183	55	66	65
State Total	9,382.2	3.6992	2.72	14,356	6,614,209	6,038,778	10,691	2,500,186	41	2,983,560	49	111	97

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MINNESOTA													
Duluth	237.1	0.0935	2.51	12,101	154,514	129,423	313	47,725	37	69,397	54	76	78
Fargo - Moorhead	156.0	0.0616	2.65	13,768	132,799	114,248	199	56,406	49	55,038	48	102	98
Minneapolis - St. Paul	2,547.1	1.0042	2.63	16,436	2,222,230	2,048,634	2,752	750,727	37	1,071,991	52	118	134
Rochester	109.5	0.0432	2.66	15,677	86,004	81,324	134	29,992	37	43,611	54	96	127
St. Cloud	196.0	0.0773	2.96	11,917	118,871	101,352	193	37,375	37	54,348	54	92	95
Non-Metro Portion of State	1,411.3	0.5565	2.67	11,200	755,045	662,516	1,736	243,372	37	384,780	58	74	66
State Total	4,457.2	1.7574	2.65	14,324	3,296,937	2,993,781	5,082	1,097,420	37	1,606,763	54	101	106
MISSISSIPPI													
Biloxi - Gulfport	198.5	0.0783	2.76	10,986	135,468	127,664	230	75,312	59	38,583	30	108	79
Jackson	401.3	0.1582	2.82	13,025	254,549	251,714	457	127,263	51	93,216	37	115	101
Pascagoula	115.5	0.0455	2.85	11,106	56,678	54,777	117	32,314	59	16,555	30	87	97
Non-Metro Portion of State	1,802.0	0.7105	2.83	9,365	587,662	577,111	1,526	373,522	65	155,738	27	56	88
State Total	2,591.8	1.0219	2.82	10,250	1,056,031	1,031,909	2,383	620,663	60	311,114	30	70	91
MISSOURI													
Columbia	114.3	0.0450	2.68	13,641	81,217	75,400	135	35,896	48	30,479	40	114	92
Joplin	136.4	0.0538	2.54	11,611	94,124	89,526	184	42,621	48	36,188	40	92	73
Kansas City	1,607.2	0.6338	2.60	16,130	1,248,008	1,193,738	1,850	572,106	48	489,496	41	109	116
St. Joseph	82.7	0.0327	2.57	12,109	57,347	52,916	106	25,193	48	21,390	40	97	81
St. Louis	2,475.7	0.9761	2.64	15,693	1,986,684	1,855,483	3,058	882,752	48	697,099	38	112	106
Springfield	248.2	0.0979	2.59	13,055	178,733	170,988	320	81,407	48	69,116	40	116	92
Non-Metro Portion of State	1,743.1	0.6870	2.63	10,816	723,014	687,986	1,964	376,888	55	275,513	40	71	66
State Total	5,184.8	2.0442	2.61	13,825	3,586,959	3,396,195	6,341	1,648,826	49	1,351,850	40	103	94
MONTANA													
Bilings	112.8	0.0445	2.53	14,027	119,489	99,116	187	38,941	39	53,523	54	78	75
Great Falls	77.9	0.0307	2.57	13,220	72,139	56,907	115	22,357	39	30,732	54	101	78
Non-Metro Portion of State	610.7	0.2408	2.63	12,535	421,047	333,325	967	126,484	38	187,719	56	74	64
State Total	801.4	0.3160	2.61	12,811	612,675	489,348	1,269	187,782	38	271,974	56	77	67
NEBRASKA													
Lincoln	217.6	0.0858	2.58	15,559	172,109	153,840	280	70,216	46	71,650	47	104	105
Omaha	625.9	0.2469	2.66	15,543	518,041	459,053	774	202,255	44	213,551	47	103	106
Non-Metro Portion of State	808.3	0.3186	2.59	12,528	430,792	368,801	1,152	170,106	46	177,634	48	83	63
State Total	1,586.0	0.6253	2.62	14,114	1,078,200	943,540	2,119	424,705	45	446,022	47	94	84
NEVADA													
Las Vegas	817.4	0.3223	2.59	14,693	696,814	597,278	788	248,562	42	263,190	44	93	451
Reno	266.1	0.1050	2.49	15,988	211,024	189,881	316	81,125	43	87,955	46	81	296
Non-Metro Portion of State	217.9	0.0858	2.68	14,232	141,687	121,800	233	50,790	42	56,625	46	82	233
State Total	1,301.4	0.5131	2.58	14,881	1,049,525	908,959	1,337	380,477	42	407,770	45	88	376
NEW HAMPSHIRE													
Manchester - Nashua	347.7	0.1371	2.69	18,264	311,726	304,947	442	99,914	33	179,047	59	99	114

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Portsmouth - Dover - Rochester	363.2	0.1432	2.76	17,153	347,741	338,798	481	99,164	29	213,671	63	96	95
Non-Metro Portion of State	432.7	0.1706	2.65	14,963	392,061	388,062	686	113,581	29	244,731	63	87	84
State Total	1,143.6	0.4509	2.70	16,662	1,051,528	1,031,807	1,609	312,659	30	637,440	62	93	95
NEW JERSEY													
Atlantic City	326.7	0.1287	2.60	16,410	410,241	363,890	726	115,733	32	231,677	64	114	315
Bergen - Passaic	1,275.7	0.5030	2.76	22,200	1,000,617	923,061	1,636	257,615	28	484,844	53	81	107
Jersey City	548.9	0.2164	2.67	15,930	287,144	241,553	567	86,079	36	124,326	51	69	108
Middlesex - Somerset - Hunterdon	1,044.2	0.4118	2.79	22,572	756,140	679,666	1,185	217,586	32	376,342	55	74	130
Monmouth - Ocean	1,015.0	0.4002	2.70	19,422	716,422	640,666	1,304	181,986	28	408,095	64	68	87
Newark	1,823.6	0.7191	2.81	20,805	1,267,653	1,139,616	2,156	345,855	30	555,464	49	74	119
Trenton	330.8	0.1304	2.79	20,502	241,444	209,350	430	65,852	31	111,675	53	77	115
Vineland - Millville - Bridgeton	139.1	0.0549	2.95	13,476	63,861	55,872	135	17,577	31	30,247	54	46	102
State Total	7,813.5	3.0607	2.77	19,860	5,504,942	4,941,624	9,462	1,526,950	31	2,677,108	54	74	127
NEW MEXICO													
Albuquerque	503.5	0.1985	2.58	13,860	455,814	426,901	680	178,822	42	205,245	48	132	94
Las Cruces	142.6	0.0563	3.01	9,539	69,202	61,573	142	27,014	44	28,663	47	92	76
Santa Fe	120.9	0.0476	2.60	16,816	122,064	117,505	178	51,552	44	54,698	47	160	93
Non-Metro Portion of State	794.4	0.3132	2.93	9,852	415,742	384,616	909	191,776	50	161,434	42	71	72
State Total	1,561.4	0.6156	2.79	11,655	1,062,822	990,595	1,909	440,164	45	450,040	45	99	82
NEW YORK													
Albany - Schenectady - Troy	886.2	0.3494	2.60	15,592	624,232	584,805	1,210	190,201	33	323,394	55	75	92
Binghamton	264.1	0.1041	2.63	13,885	169,295	151,222	302	42,308	28	83,500	55	80	99
Buffalo	964.4	0.3803	2.56	13,750	724,504	661,924	1,347	264,847	40	319,023	48	81	79
Elmira	95.6	0.0377	2.69	12,749	57,142	52,096	114	14,575	28	28,765	55	82	81
Glens Falls	120.7	0.0476	2.76	13,698	90,728	84,240	239	23,568	28	46,515	55	77	66
Jamestown - Dunkirk	140.8	0.0555	2.64	9,952	73,100	62,714	185	24,340	39	32,832	52	56	69
Nassau - Suffolk	2,653.2	1.0461	3.06	20,216	1,908,748	1,800,426	3,545	460,986	26	1,005,010	56	71	92
New York	8,627.2	3.4014	2.65	17,285	6,207,452	5,832,847	10,493	1,317,965	23	3,349,474	57	121	108
Niagara Falls	220.7	0.0871	2.60	13,282	137,316	126,534	338	35,403	28	69,867	55	74	73
Orange County	318.1	0.1254	3.03	15,555	181,194	170,417	410	47,678	28	94,098	55	63	82
Poughkeepsie	265.1	0.1045	2.89	17,229	174,207	164,825	349	46,114	28	91,010	55	63	99
Rochester	1,008.0	0.3975	2.68	15,331	675,576	630,262	1,205	244,947	39	311,472	49	73	106
Syracuse	662.7	0.2613	2.70	14,154	461,230	424,313	910	145,445	34	212,695	50	78	88
Utica - Rome	316.1	0.1246	2.71	12,560	194,681	182,317	408	51,009	28	100,668	55	81	76
Non-Metro Portion of State	1,623.4	0.6401	2.80	12,259	837,676	759,220	2,084	294,725	39	397,504	52	60	75
State Total	18,166.3	7.1626	2.72	16,455	12,517,081	11,688,162	23,139	3,204,111	27	6,465,827	55	90	96
NORTH CAROLINA													
Asheville	177.7	0.0700	2.46	13,357	146,896	145,162	247	76,045	52	54,091	37	109	89
Burlington	109.9	0.0433	2.53	13,575	66,066	65,260	148	34,187	52	24,318	37	79	81
Charlotte - Gastonia - Rock Hill	1,200.4	0.4732	2.63	14,536	864,179	841,268	1,493	437,388	52	313,646	37	107	105
Fayetteville	278.1	0.1097	3.00	11,149	164,397	159,244	278	83,418	52	59,339	37	120	91
Greensboro - Winston-Salem - High Point	961.1	0.3790	2.53	14,218	698,632	688,500	1,254	318,461	46	262,033	38	112	93
Hickory - Morganton	226.0	0.0892	2.60	12,731	142,331	139,731	304	73,198	52	52,064	37	93	87
Jacksonville	153.5	0.0605	3.62	11,260	88,195	81,788	118	42,843	52	30,476	37	123	85
Raleigh - Durham	768.5	0.3030	2.55	16,261	1,004,883	984,683	1,018	466,832	47	407,240	41	184	116

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Wilmington	123.0	0.0485	2.49	13,987	133,633	129,748	217	67,968	52	48,347	37	133	69
Non-Metro Portion of State	2,914.8	1.1492	2.64	11,244	1,365,493	1,349,567	3,063	752,606	56	496,742	37	69	87
State Total	6,777.2	2.6720	2.63	12,968	4,584,845	4,495,897	8,010	2,295,800	51	1,724,262	38	101	94
NORTH DAKOTA													
Bismarck	84.0	0.0330	2.67	13,935	61,504	56,169	100	27,588	49	27,133	48	97	109
Fargo - Moorhead	156.0	0.0616	2.65	13,768	132,799	114,248	199	56,406	49	55,038	48	102	98
Grand Forks	71.7	0.0283	2.79	12,939	56,162	47,367	82	23,273	49	22,892	48	93	109
Non-Metro Portion of State	373.3	0.1472	2.63	11,614	200,224	156,984	535	74,891	48	77,223	49	75	60
State Total	634.3	0.2501	2.64	12,028	423,305	350,339	855	172,310	49	169,141	48	88	78
OHIO													
Akron	661.2	0.2607	2.64	14,409	507,540	473,485	788	210,181	44	231,662	49	100	94
Canton	395.1	0.1557	2.64	13,246	277,924	260,966	517	124,867	48	124,632	48	92	78
Cincinnati	1,466.0	0.5780	2.65	15,285	1,378,199	1,286,873	1,789	545,063	42	600,623	47	119	106
Cleveland	1,825.8	0.7199	2.57	15,341	1,361,371	1,248,981	2,167	531,156	43	580,122	47	101	100
Columbus	1,407.2	0.5549	2.63	15,180	1,247,365	1,156,231	1,687	575,986	50	479,574	41	139	109
Dayton - Springfield	959.9	0.3786	2.61	14,590	742,509	692,534	1,122	364,018	53	267,284	39	112	99
Hamilton - Middletown	297.5	0.1173	2.78	14,148	180,721	164,009	274	77,873	47	71,799	44	89	106
Lima	155.8	0.0614	2.79	12,215	111,773	106,195	220	50,424	47	46,489	44	98	73
Lorain - Elyria	272.5	0.1074	2.84	12,218	149,020	134,233	302	63,736	47	58,763	44	88	86
Mansfield	126.1	0.0497	2.62	13,049	90,699	83,996	168	39,881	47	36,770	44	111	80
Parkersburg - Marietta	148.6	0.0587	2.58	12,455	88,935	85,181	172	50,917	60	27,164	32	83	88
Steuersville - Weirton	140.8	0.0555	2.57	12,182	67,394	60,180	148	28,353	47	26,560	44	69	88
Toledo	619.0	0.2440	2.66	13,750	498,688	456,891	782	192,165	42	219,074	48	107	87
Youngstown - Warren	489.2	0.1929	2.62	12,346	323,836	293,568	591	135,230	46	129,360	44	101	78
Non-Metro Portion of State	2,298.8	0.9063	2.75	11,756	1,195,109	1,085,434	2,591	557,035	51	455,750	42	81	75
State Total	10,918.7	4.3050	2.65	13,891	7,910,163	7,294,080	12,915	3,404,791	47	3,235,358	44	103	93
OKLAHOMA													
Enid	54.8	0.0216	2.53	11,347	33,358	32,353	93	16,146	50	11,585	36	85	51
Lawton	111.9	0.0441	2.96	10,911	54,605	51,843	119	25,871	50	18,565	36	87	80
Oklahoma City	968.0	0.3816	2.61	12,996	739,735	718,239	1,486	330,791	46	272,037	38	111	70
Tulsa	395.5	0.2821	2.56	13,258	534,037	517,371	994	248,772	48	187,343	36	92	80
Non-Metro Portion of State	1,272.7	0.5020	2.61	10,078	499,028	485,009	1,400	272,229	56	151,624	31	56	64
State Total	3,157.8	1.2451	2.61	11,734	1,876,097	1,819,946	4,123	897,073	49	643,331	35	83	70
OREGON													
Eugene - Springfield	287.1	0.1132	2.55	12,822	255,293	235,165	414	92,903	40	123,799	53	106	78
Medford	151.4	0.0597	2.55	12,522	135,038	124,496	219	49,183	40	65,538	53	112	65
Portland	1,276.5	0.5034	2.55	15,423	1,365,464	1,242,604	1,710	463,506	37	659,310	53	133	102
Salem	286.4	0.1129	2.74	12,675	216,166	201,339	356	79,539	40	105,990	53	103	73
Non-Metro Portion of State	911.4	0.3592	2.58	12,005	749,056	688,748	1,401	281,256	41	373,367	54	95	63
State Total	2,912.6	1.1484	2.58	13,676	2,721,017	2,492,352	4,100	966,387	39	1,328,004	53	114	82
PENNSYLVANIA													
Allentown - Bethlehem - Easton	701.0	0.2764	2.64	15,531	429,125	396,915	843	140,888	35	191,583	48	73	94
Altoona	130.2	0.0513	2.59	12,181	80,789	75,462	162	27,488	36	39,049	52	64	78
Beaver County	184.2	0.0726	2.58	12,444	80,900	72,516	177	26,416	36	37,525	52	61	93

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Metro Name													
Erie	275.4	0.1086	2.71	13,240	182,161	163,121	334	59,422	36	84,413	52	81	90
Harrisburg - Lebanon - Carlisle	598.0	0.2359	2.60	15,613	397,478	359,980	721	150,487	42	178,984	50	85	113
Johnstown	238.2	0.0939	2.62	11,059	112,797	99,509	264	36,247	36	51,490	52	62	70
Lancaster	437.6	0.1725	2.80	15,028	300,045	280,127	459	87,604	31	175,597	63	81	117
Philadelphia	4,924.1	1.9415	2.73	17,255	3,107,033	2,805,095	5,224	917,077	33	1,475,097	53	76	117
Pittsburgh	2,037.9	0.8035	2.50	14,907	1,344,016	1,224,177	2,458	449,963	37	627,389	51	86	92
Reading	342.8	0.1352	2.64	15,179	232,967	218,219	426	76,084	35	126,052	58	89	97
Scranton - Wilkes-Barre	739.5	0.2915	2.61	13,160	457,779	430,472	995	170,272	40	220,644	51	78	85
Sharon	119.9	0.0473	2.65	12,375	63,677	56,512	153	20,587	36	29,243	52	73	68
State College	126.0	0.0497	2.91	12,595	93,710	87,906	155	32,021	36	45,488	52	130	78
Williamsport	120.0	0.0473	2.63	12,629	63,954	56,659	145	20,640	36	29,319	52	59	86
York	427.7	0.1687	2.67	15,101	247,186	225,787	470	86,191	38	119,500	53	76	107
Non-Metro Portion of State	1,809.5	0.7133	2.67	11,967	838,330	760,267	2,035	322,111	42	369,426	49	63	60
State Total	11,966.1	4.7188	2.64	14,883	7,300,361	6,651,261	13,751	2,394,926	36	3,461,656	52	78	96

RHODE ISLAND

Providence - Pawtucket - Woonsocket	924.7	0.3645	2.66	14,109	748,819	681,247	1,243	230,444	34	388,029	57	113	76
Non-Metro Portion of State	87.4	0.0345	2.66	15,999	110,449	100,774	176	30,576	30	62,484	62	213	113
State Total	1,012.1	0.3990	2.66	14,272	859,268	782,021	1,419	261,020	33	450,513	58	120	81

SOUTH CAROLINA

Anderson	147.7	0.0582	2.62	12,036	83,330	80,943	158	39,912	49	32,496	40	71	90
Charleston	524.3	0.2067	2.85	12,370	363,952	347,569	572	142,277	41	167,251	48	96	99
Charlotte - Gastonia - Rock Hill	1,200.4	0.4732	2.63	14,536	864,179	841,268	1,493	437,388	52	313,646	37	107	105
Columbia	462.3	0.1823	2.77	13,629	397,840	367,523	586	182,934	47	139,926	36	131	96
Florence	115.8	0.0456	2.85	11,294	67,555	66,721	127	32,900	49	26,786	40	71	101
Greenville - Spartanburg	655.3	0.2584	2.65	13,239	469,548	459,909	792	246,075	54	169,100	37	92	94
Non-Metro Portion of State	1,400.5	0.5523	2.80	10,584	834,887	806,808	1,542	393,701	49	346,284	43	84	91
State Total	3,565.4	1.4058	2.77	11,952	2,378,824	2,309,800	4,014	1,131,445	49	931,429	40	92	95

SOUTH DAKOTA

Rapid City	84.2	0.0331	2.65	15,043	74,785	68,359	128	27,712	41	36,936	54	95	90
Southern Falls	126.7	0.0500	2.59	16,471	118,372	104,843	177	42,503	41	56,649	54	103	111
Non-Metro Portion of State	491.6	0.1938	2.71	12,294	251,366	212,039	692	76,651	36	124,063	59	75	65
State Total	702.5	0.2769	2.68	13,377	444,523	385,241	997	146,866	38	217,648	56	84	77

TENNESSEE

Chattanooga	438.1	0.1728	2.60	12,791	274,913	271,030	547	151,473	56	99,605	37	99	82
Clarksville - Hopkinsville	172.4	0.0679	3.02	11,212	95,722	90,606	183	46,726	52	36,057	40	123	77
Jackson	78.6	0.0310	2.63	12,465	45,414	43,196	89	22,317	52	17,156	40	76	94
Johnson City - Kingsport - Bristol	438.0	0.1727	2.55	11,934	239,209	235,871	427	146,099	62	67,257	29	96	104
Knoxville	614.7	0.2422	2.54	13,625	499,328	484,476	784	220,576	46	228,482	47	120	95
Memphis	1,003.3	0.3956	2.75	13,590	578,337	565,705	1,070	275,301	49	214,721	38	102	101
Nashville	1,016.4	0.4008	2.62	15,219	897,125	879,394	1,233	418,868	48	387,528	44	140	117
Non-Metro Portion of State	1,594.8	0.6290	2.63	10,718	557,158	550,145	1,413	348,812	63	174,639	32	59	91
State Total	4,960.1	1.9557	2.63	12,897	3,030,665	2,967,104	5,420	1,537,201	52	1,178,214	40	102	99

TEXAS

Arlene	120.1	0.0474	2.75	12,673	86,044	81,120	165	37,448	46	32,114	40	133	64
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12/31/91

1991

STATE	Population (Thous.)	% of U.S.	Average House- hold Size	Per Capita EBI	Eating & Drinking Place Sales (\$000)	Eating Place Sales (\$000)	Units	Fast Food Market Sales (\$000)	Share (%)	Restaurant Market Sales (\$000)	Share (%)	RAI	RGI
Metro Name													
Amarillo	189.6	0.0748	2.60	13,361	174,679	165,333	286	76,323	46	65,450	40	99	74
Austin	819.4	0.3231	2.57	15,641	735,930	694,492	1,041	305,051	44	300,640	43	93	105
Beaumont - Port Arthur	357.7	0.1410	2.69	12,622	226,035	214,503	358	108,351	51	77,776	36	84	104
Brazoria	194.3	0.0766	2.99	13,888	90,314	87,028	174	40,176	46	34,454	40	59	125
Brownsville - Harlingen	267.2	0.1054	3.57	7,698	128,964	119,154	236	55,005	46	47,172	40	71	72
Bryan - College Station	124.5	0.0491	2.79	11,410	84,974	77,993	138	36,003	46	30,875	40	84	71
Corpus Christi	353.0	0.1392	2.95	11,950	225,419	207,846	460	109,282	53	74,920	36	77	78
Dallas	2,665.1	1.0508	2.68	17,238	2,500,459	2,350,212	3,195	943,812	40	983,554	42	106	126
El Paso	617.2	0.2433	3.33	9,701	321,707	289,084	554	135,346	47	115,053	40	83	98
Fort Worth - Arlington	1,396.8	0.5507	2.69	16,112	993,521	913,040	1,477	427,760	47	358,520	39	82	115
Galveston - Texas City	219.8	0.0867	2.67	14,046	171,136	163,028	248	75,257	46	64,541	40	74	101
Houston	3,370.6	1.3291	2.79	16,201	2,421,471	2,265,149	3,451	927,054	41	997,230	44	84	130
Killeen - Temple	262.6	0.1035	3.03	11,655	127,669	121,132	241	55,919	46	47,953	40	84	79
Laredo	139.2	0.0549	3.89	7,305	68,528	67,429	104	31,127	46	26,694	40	60	87
Longview - Marshall	163.6	0.0645	2.67	12,564	110,120	103,320	226	47,699	46	40,899	40	77	64
Lubbock	226.5	0.0893	2.73	12,599	204,994	186,255	321	85,982	46	73,736	40	116	78
McAllen - Edinburg - Mission	405.5	0.1599	3.73	7,382	141,733	134,598	300	62,134	46	53,286	40	57	75
Midland	108.1	0.0426	2.74	15,760	61,319	58,378	127	26,949	46	23,109	40	55	80
Odessa	117.2	0.0463	2.81	11,718	76,784	68,730	158	31,728	46	27,209	40	66	63
San Angelo	100.6	0.0396	2.78	12,681	64,832	61,321	118	28,307	46	24,274	40	93	70
San Antonio	1,355.4	0.5345	2.89	12,386	1,117,620	1,040,092	1,557	493,721	47	411,080	40	105	94
Sherman - Denison	96.6	0.0377	2.58	12,859	52,983	51,315	118	23,688	46	20,315	40	65	69
Texarkana	120.8	0.0477	2.67	11,972	69,123	68,620	132	31,794	46	27,182	40	95	77
Tyler	154.8	0.0610	2.66	13,416	120,011	118,428	165	54,670	46	46,884	40	96	85
Victoria	74.4	0.0293	2.83	12,739	47,370	44,817	94	20,688	46	17,742	40	67	69
Waco	191.2	0.0754	2.69	12,314	137,323	128,605	233	59,367	46	50,915	40	84	84
Wichita Falls	122.3	0.0482	2.71	12,397	115,506	108,832	179	50,239	46	43,084	40	164	73
Non-Metro Portion of State	3,140.3	1.2378	2.78	10,787	1,215,111	1,180,931	3,282	695,738	59	400,455	34	55	62
State Total	17,434.7	6.8741	2.80	13,769	11,870,240	11,149,849	19,087	5,064,329	45	4,508,469	40	84	99
UTAH													
Provo - Orem	271.7	0.1072	3.76	9,618	90,884	89,613	196	46,029	51	35,737	40	64	116
Salt Lake City - Ogden	1,103.5	0.4351	3.09	12,423	696,094	673,282	1,122	346,213	51	262,456	39	84	109
Non-Metro Portion of State	395.0	0.1556	3.25	10,117	177,608	171,518	457	76,839	45	81,861	48	75	83
State Total	1,770.2	0.6979	3.21	11,478	964,586	934,413	1,775	469,081	50	380,054	41	80	103
VERMONT													
Burlington	140.4	0.0554	2.71	15,989	159,983	148,658	207	40,201	27	95,350	64	124	106
Non-Metro Portion of State	432.4	0.1705	2.65	12,845	332,758	307,759	696	83,481	27	197,981	64	85	77
State Total	572.8	0.2259	2.67	13,616	492,741	456,417	903	123,682	27	293,331	64	95	83
VIRGINIA													
Charlottesville	133.8	0.0528	2.68	14,904	97,080	95,607	177	41,834	44	42,530	44	82	101
Danville	107.6	0.0425	2.56	11,305	52,530	51,860	116	22,691	44	23,066	44	66	95
Lynchburg	142.3	0.0561	2.69	11,776	92,842	91,567	169	40,063	44	40,728	44	85	90
Norfolk - Virginia Beach - Newport News	1,447.2	0.5705	2.83	13,439	992,216	969,908	1,678	454,268	47	424,371	44	103	102
Richmond - Petersburg	886.6	0.3496	2.61	15,457	600,528	592,208	1,092	273,979	46	244,558	41	92	106
Roanoke	225.0	0.0889	2.50	14,104	179,906	177,262	334	77,551	44	78,846	44	111	87
Non-Metro Portion of State	1,723.8	0.6792	2.69	11,748	757,160	750,474	1,655	403,313	54	289,581	39	63	104
State Total	6,348.1	2.5029	2.70	15,528	4,274,672	4,222,397	7,155	1,837,432	44	1,808,873	45	92	112

1991 Metro Report

12/31/91

1991

STATE Metro Name	Population (Thous.)	% of U.S.	Average House- hold Size	Per Capita EBI	Eating & Drinking Place Sales (\$000)	Eating Place Sales (\$000)	Units	Fast Food Market Sales (\$000)	Share (%)	Restaurant Market Sales (\$000)	Share (%)	RAI	RGI
WASHINGTON													
Bellingham	132.5	0.0523	2.62	14,440	122,432	107,540	188	39,777	37	60,206	56	84	80
Bremerton	199.4	0.0786	2.74	14,864	117,136	104,825	180	38,774	37	58,686	56	78	106
Olympia	168.3	0.0664	2.60	14,686	124,607	112,921	197	41,767	37	63,217	56	82	88
Richland - Kennewick - Pasco	152.2	0.0601	2.76	13,556	115,136	106,166	168	39,267	37	59,436	56	84	112
Seattle	2,032.6	0.8014	2.51	18,563	2,340,587	2,210,962	2,831	759,048	34	1,251,980	57	126	110
Spokane	365.4	0.1441	2.55	13,436	356,446	332,887	460	144,125	43	163,421	49	101	91
Tacoma	604.9	0.2385	2.73	14,095	490,275	454,222	615	174,258	38	255,544	56	117	98
Vancouver	250.2	0.0986	2.70	14,511	170,967	150,825	245	55,786	37	84,438	56	104	98
Yakima	191.7	0.0755	2.87	11,101	132,055	122,635	195	45,361	37	68,655	56	83	89
Non-Metro Portion of State	911.9	0.3594	2.62	12,548	657,479	594,299	1,226	216,354	36	359,506	60	79	71
State Total	5,009.1	1.9749	2.60	15,528	4,627,120	4,297,282	6,305	1,554,517	36	2,425,089	56	106	97
WEST VIRGINIA													
Charleston	249.9	0.0986	2.49	13,365	172,694	167,112	333	99,574	60	53,597	32	88	82
Huntington - Ashland	311.0	0.1226	2.61	11,334	169,233	163,495	336	97,372	60	52,470	32	90	78
Parkersburg - Manetta	148.6	0.0587	2.58	12,455	88,935	85,181	172	50,917	60	27,164	32	83	88
Steubenville - Weirton	140.8	0.0555	2.57	12,182	67,394	60,180	148	28,353	47	26,560	44	69	88
Wheeling	157.1	0.0621	2.53	11,720	101,597	91,298	181	54,282	59	29,391	32	79	79
Non-Metro Portion of State	1,134.3	0.4471	2.64	10,272	418,305	405,570	1,056	251,411	62	125,750	31	57	80
State Total	1,784.3	0.7036	2.60	11,113	841,416	807,528	1,868	496,573	61	249,192	31	69	81
WISCONSIN													
Appleton - Oshkosh - Neenah	321.0	0.1265	2.72	14,141	236,713	202,932	368	80,525	40	104,347	51	104	105
Eau Claire	139.8	0.0551	2.73	12,377	118,106	95,510	182	36,201	38	52,447	55	99	84
Green Bay	197.4	0.0778	2.69	14,640	161,551	143,019	233	54,210	38	78,538	55	109	115
Janesville - Beloit	139.6	0.0550	2.66	13,653	105,068	88,706	169	33,622	38	48,713	55	80	89
Kenosha	130.6	0.0515	2.73	12,790	87,340	73,815	144	27,978	38	40,535	55	107	88
La Crosse	99.2	0.0391	2.65	12,752	105,003	90,524	140	34,312	38	49,711	55	143	98
Madison	374.6	0.1477	2.57	16,428	341,962	299,427	503	113,399	38	168,598	56	128	115
Milwaukee	1,445.6	0.5700	2.66	15,463	1,196,942	1,057,040	1,703	407,869	39	547,451	52	118	111
Racine	176.4	0.0696	2.75	14,778	104,122	92,510	212	35,064	38	50,802	55	89	93
Sheboygan	105.0	0.0414	2.69	13,711	67,931	58,213	110	22,064	38	31,967	55	85	111
Wausau	116.9	0.0461	2.78	13,376	76,400	68,262	135	25,875	38	37,485	55	107	95
Non-Metro Portion of State	1,611.8	0.6355	2.70	12,241	1,101,983	920,349	2,263	307,517	33	579,349	63	98	67
State Total	4,952.4	1.9526	2.68	13,967	3,770,232	3,244,204	6,269	1,200,255	37	1,818,452	56	107	92
WYOMING													
Casper	60.1	0.0237	2.56	14,349	45,394	41,212	92	16,884	41	22,538	55	72	83
Cheyenne	74.1	0.0292	2.60	14,355	62,699	57,170	94	23,420	41	31,262	55	133	94
Non-Metro Portion of State	318.1	0.1254	2.72	13,388	198,635	171,396	493	66,546	39	99,602	58	88	84
State Total	452.3	0.1783	2.68	13,874	306,728	269,778	679	106,850	40	153,402	57	92	86
United States Total	253,629.1	100.0000	2.71	14,702	189,192,158	176,928,806	303,371	71,385,826	40	86,264,948	49	100	100

1991 ADI Report

This section covers the 209 areas of dominant influence of a tv signal

ADI Name	12/31/91			1991									
	Population (Thous.)	% of U.S.	Average House- hold Size	Per Capita EBI	Eating & Drinking Place Sales (\$000)	Eating Place Sales (\$000)	Units	Fast Food Sales (\$000)	Market Share (%)	Restaurant Sales (\$000)	Market Share (%)	RAI	RGI
Ablene - Sweetwater	288.9	0.1137	2.67	11,405	148,723	142,653	353	73,686	52	52,966	37	85	61
Albany, Ga.	366.0	0.1442	2.83	9,594	164,830	158,539	337	91,436	58	54,658	34	56	97
Albany - Schenectady - Troy	1,337.0	0.5271	2.62	15,017	963,918	901,590	1,950	284,399	32	515,216	57	77	84
Albuquerque	1,490.0	0.5874	2.80	11,575	995,283	931,164	1,799	416,952	45	428,772	46	98	84
Alexandria, La.	251.5	0.0992	2.94	10,124	107,153	103,033	188	53,565	52	35,546	34	63	99
Alpena	40.8	0.0161	2.53	11,110	19,929	17,321	57	6,964	40	9,497	55	59	57
Amarillo	447.4	0.1764	2.66	12,110	294,335	281,161	658	140,889	50	107,957	38	81	63
Anniston	116.7	0.0460	2.71	11,346	74,139	71,412	107	43,353	61	21,459	30	176	105
Ardmore - Ada	184.3	0.0728	2.59	9,439	68,831	67,433	199	37,855	56	21,082	31	53	62
Atlanta	3,933.2	1.5505	2.69	14,975	3,233,152	3,079,603	5,026	1,486,787	48	1,223,182	40	122	102
Augusta	584.2	0.2307	2.81	11,067	324,749	314,492	548	165,496	53	109,244	35	81	104
Austin, Tex.	982.3	0.3873	2.58	14,948	814,914	771,425	1,231	350,278	45	326,677	42	89	97
Bakersfield	581.5	0.2293	3.01	12,180	382,008	358,350	582	185,143	52	157,837	44	108	95
Baltimore	2,612.2	1.0298	2.70	15,657	1,852,846	1,692,285	2,842	706,188	42	728,202	43	100	112
Bangor	334.9	0.1320	2.66	11,981	203,560	197,750	466	71,188	36	114,032	58	68	70
Baton Rouge	732.7	0.2890	2.88	12,588	346,351	328,815	615	169,440	52	115,748	35	53	122
Beaumont - Port Arthur	419.5	0.1653	2.70	12,204	240,459	228,492	404	116,603	51	82,522	36	76	100
Bend	78.0	0.0308	2.56	14,029	80,709	75,624	127	30,855	41	40,967	54	96	76
Billings - Hardin	224.1	0.0882	2.61	12,917	180,881	148,715	343	58,012	39	81,885	55	75	78
Bloomington - Gulfport - Pascagoula	302.2	0.1192	2.82	10,888	187,874	178,681	341	105,778	59	53,912	30	104	83
Binghamton	425.7	0.1678	2.65	13,242	225,542	199,869	484	61,914	31	108,186	54	66	90
Birmingham	1,382.4	0.5452	2.64	12,626	746,513	730,479	1,325	417,898	57	233,586	32	90	101
Bluefield - Beckley - Oak Hill	359.4	0.1415	2.62	9,980	135,400	132,323	310	80,505	61	42,305	32	52	86
Boise	417.6	0.1646	2.72	13,092	269,042	247,752	523	110,071	44	121,304	49	82	84
Boston	5,745.7	2.2655	2.68	17,869	6,377,026	6,003,479	8,038	1,639,747	27	3,611,997	60	125	106
Bowling Green	122.8	0.0483	2.66	11,255	67,917	66,102	115	43,019	65	19,301	29	86	102
Bristol - Kingsport - Johnson City	738.1	0.2910	2.61	10,838	323,521	318,851	659	193,648	61	97,157	30	68	103
Buffalo	1,627.0	0.6417	2.62	12,925	1,086,045	986,689	2,240	378,053	38	491,759	50	76	76
Burlington - Plattsburgh	741.3	0.2923	2.73	13,204	594,518	552,104	1,102	161,298	29	344,050	62	91	84
Butte	127.9	0.0506	2.59	12,957	107,550	86,368	219	32,690	38	48,545	56	89	65
Casper - Riverton	108.6	0.0429	2.64	13,157	67,663	61,299	166	24,694	40	34,231	56	72	77
Cedar Rapids - Waterloo - Dubuque	807.4	0.3183	2.66	13,684	545,770	485,879	1,025	211,546	44	236,746	49	91	84
Charleston, S.C.	643.9	0.2539	2.86	11,855	428,385	411,585	697	173,489	42	194,704	47	93	96
Charleston - Huntington	1,264.0	0.4985	2.66	10,600	608,378	584,601	1,265	343,793	59	196,907	34	72	79
Charlotte	1,985.0	0.7829	2.64	13,403	1,266,916	1,239,711	2,389	651,525	53	463,720	37	94	99
Charlottesville	110.3	0.0435	2.66	15,428	95,133	93,660	162	40,958	44	41,641	44	87	99
Chattanooga	764.5	0.3017	2.63	12,054	426,252	421,158	871	245,632	58	147,853	35	86	86
Cheyenne - Scottsbluff (Sterling)	109.9	0.0433	2.58	13,688	85,636	78,171	146	33,069	42	41,344	53	104	85
Chicago	8,447.7	3.3306	2.78	17,240	6,790,085	6,335,345	10,122	2,376,964	38	3,222,139	51	123	111
Chico - Redding	437.2	0.1723	2.60	11,885	284,463	262,038	541	99,487	38	142,447	54	81	71
Cincinnati	2,030.8	0.8007	2.68	14,553	1,656,015	1,540,261	2,346	672,894	44	706,452	46	108	101
Clarksburg - Weston	266.7	0.1053	2.61	10,025	111,060	107,832	298	66,691	62	33,363	31	61	68
Cleveland	3,757.6	1.4815	2.63	14,246	2,664,206	2,453,285	4,498	1,099,092	45	1,147,063	47	97	92
Colorado Springs - Pueblo	649.4	0.2560	2.67	12,578	437,611	398,768	800	164,071	41	194,008	49	99	84
Columbia, S.C.	830.8	0.3274	2.84	12,031	537,597	523,805	891	249,547	48	198,510	38	100	97
Columbia - Jefferson City	362.6	0.1430	2.70	12,637	195,479	183,682	411	95,184	52	73,826	40	90	87

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ADI Name	Population (Thous.)	% of U.S.	Average House- hold Size	Per Capita EBI	Eating & Drinking Place Sales (\$000)	Eating Place		Fast Food Market		Restaurant Market		RAI	RGI
						Sales (\$000)	Units	Sales (\$000)	Share (%)	Sales (\$000)	Share (%)		
Columbus, Ga.	504.8	0.1991	2.77	10,704	265,936	256,470	503	146,144	57	86,399	34	85	84
Columbus - Tupelo	474.5	0.1870	2.74	10,259	154,254	150,217	399	97,536	65	40,544	27	59	98
Columbus, Ohio	1,856.8	0.7319	2.66	14,199	1,449,256	1,340,325	2,132	670,597	50	556,982	42	126	103
Corpus Christi	507.3	0.2000	2.95	11,312	292,566	271,449	648	146,739	54	96,485	36	68	71
Dallas - Ft. Worth	4,769.6	1.8805	2.68	16,114	3,808,780	3,567,919	5,388	1,544,333	43	1,448,212	41	94	115
Davenport - Rock Island - Moline	781.8	0.3083	2.59	13,556	531,172	464,227	997	219,259	47	209,757	45	90	81
Dayton	1,337.3	0.5273	2.65	14,163	954,825	887,978	1,563	465,285	52	346,944	39	107	93
Denver	2,626.5	1.0358	2.54	16,070	2,364,453	2,184,055	3,736	759,325	35	1,160,527	53	105	95
Des Moines	957.2	0.3774	2.57	14,204	621,568	564,374	1,218	240,267	43	271,866	48	75	90
Detroit	4,689.5	1.8488	2.71	15,765	3,622,346	3,341,422	5,252	1,383,107	41	1,576,730	47	127	107
Dothan	240.2	0.0947	2.68	11,329	130,891	127,700	232	78,647	62	38,712	30	82	92
Duluth - Superior	431.8	0.1703	2.53	11,693	275,293	231,958	624	84,449	36	130,861	56	75	67
El Centro - Yuma	228.7	0.0902	3.23	9,638	115,228	105,745	229	40,791	39	60,151	57	73	81
El Paso	762.8	0.3008	3.26	9,664	392,739	352,487	700	163,473	46	144,355	41	85	93
Elmira	236.2	0.0931	2.68	12,350	122,761	110,873	269	38,071	34	58,798	53	62	79
Erie	410.4	0.1618	2.69	12,860	251,519	224,308	511	85,331	38	114,127	51	82	77
Eugene	444.5	0.1752	2.56	12,279	382,868	352,228	648	140,671	40	187,214	53	106	72
Eureka	149.4	0.0589	2.63	11,987	104,736	94,384	257	35,472	38	55,940	59	94	60
Evansville	687.4	0.2713	2.61	12,582	387,442	364,209	783	199,136	55	135,680	37	80	86
Fargo	571.2	0.2252	2.65	12,125	359,556	301,767	749	138,515	46	153,646	51	82	73
Flagstaff	100.9	0.0398	3.25	9,997	99,708	92,312	152	36,521	40	50,322	55	103	93
Flint - Saginaw - Bay City	1,236.8	0.4875	2.71	12,785	785,834	699,685	1,320	298,765	43	360,363	52	93	89
Florence - Myrtle Beach	422.4	0.1664	2.75	10,974	383,737	363,834	647	177,771	49	154,220	42	106	84
Ft. Myers - Naples	675.5	0.2663	2.42	16,254	576,426	555,391	827	183,072	33	330,887	60	98	93
Ft. Smith	502.1	0.1977	2.63	11,707	260,189	255,914	585	140,045	55	85,457	33	72	77
Ft. Wayne	639.5	0.2520	2.71	13,468	435,254	402,528	774	187,921	47	190,781	47	108	92
Fresno - Visalia	1,443.1	0.5688	3.14	11,210	835,337	786,891	1,406	343,470	44	392,292	50	93	89
Gainesville	234.5	0.0925	2.57	11,631	173,407	165,509	304	61,948	37	89,621	54	88	89
Grand Junction - Durango	159.2	0.0628	2.58	12,575	168,848	155,627	226	52,977	34	89,124	57	120	90
Grand Rapids - Kalamazoo - Battle Creek	1,726.9	0.6810	2.78	13,475	1,071,266	989,459	1,884	397,151	40	519,252	52	107	99
Great Falls	169.3	0.0668	2.67	12,249	116,222	89,654	259	34,871	39	49,288	55	79	67
Green Bay - Appleton	1,031.7	0.4066	2.68	13,256	747,397	643,784	1,271	237,829	37	365,867	57	97	89
Greensboro - Winston-Salem - High Point	1,351.4	0.5328	2.54	13,522	871,571	859,039	1,669	411,354	48	325,186	38	97	92
Greenville - New Bern - Washington	646.9	0.2552	2.83	11,224	349,011	335,857	627	184,602	55	124,044	37	82	87
Greenville - Spartanburg - Asheville	1,729.2	0.6818	2.60	12,283	1,026,363	1,010,221	1,979	536,998	53	380,482	38	83	90
Greenwood - Greenville	219.8	0.0867	3.08	8,428	75,559	75,303	191	48,475	64	20,539	27	59	80
Hagerstown	122.7	0.0483	2.71	12,378	67,311	60,710	140	25,581	42	27,435	45	70	93
Harrisburg - York - Lancaster - Lebanon	1,530.5	0.6036	2.68	15,122	972,765	890,770	1,718	334,828	38	486,175	55	80	111
Harrisonburg	229.7	0.0905	2.72	12,340	115,765	114,750	242	61,821	54	43,909	38	79	108
Hartford - New Haven	2,488.6	0.9812	2.66	18,222	2,056,367	1,937,619	3,261	624,264	32	1,078,563	56	109	103
Helena	48.2	0.0190	2.54	14,226	39,214	32,380	76	12,220	38	18,142	56	69	81
Houston	4,097.4	1.6157	2.80	15,585	2,830,332	2,658,192	4,179	1,126,626	42	1,144,666	43	81	124
Huntsville - Decatur - Florence	801.6	0.3160	2.62	13,009	440,908	428,518	863	275,856	64	119,413	28	86	96

For more information on Athens (Sectional) circle number 45 →

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ADI Name	Population (Thous.)	% of U.S.	Average House- hold Size	Per Capita EBI	Eating & Drinking Place Sales (\$000)	Eating Place Sales (\$000)	Units	Fast Food Sales (\$000)	Market Share (%)	Restaurant Sales (\$000)	Market Share (%)	RAI	RGI
Idaho Falls - Pocatello	327.4	0.1292	3.03	11,762	167,452	152,821	401	67,929	44	76,981	50	73	85
Indianapolis	2,328.7	0.9180	2.63	14,179	1,817,292	1,703,846	2,918	906,226	53	611,051	36	128	95
Jackson, Miss.	815.9	0.3217	2.82	10,874	366,038	361,295	765	198,263	55	122,819	34	80	99
Jackson, Tenn.	161.3	0.0637	2.59	11,400	68,777	66,379	182	37,019	56	24,519	37	65	79
Jacksonville	1,263.6	0.4982	2.68	13,190	1,037,313	983,437	1,463	500,336	51	409,305	42	109	105
Johnstown - Altoona	764.8	0.3016	2.67	11,534	409,886	374,727	867	143,168	38	190,402	51	70	70
Jonesboro	210.7	0.0831	2.55	10,538	68,342	67,689	221	40,826	60	22,383	33	51	71
Joplin - Pittsburg	353.2	0.1392	2.63	11,075	196,022	188,954	515	95,611	51	73,163	39	83	60
Kansas City	2,008.3	0.7919	2.61	15,219	1,447,320	1,382,010	2,286	673,038	49	562,646	41	105	108
Knoxville	1,075.7	0.4238	2.59	11,951	681,902	665,989	1,168	336,395	51	284,690	43	96	92
La Crosse - Eau Claire	455.6	0.1794	2.70	11,987	343,941	288,603	577	105,863	37	165,207	57	106	80
Lafayette, Ind.	132.3	0.0521	2.86	13,374	108,715	99,540	773	51,794	52	38,976	39	129	91
Lafayette, La.	527.9	0.2080	2.85	10,556	276,560	265,748	452	139,592	53	90,755	34	57	94
Lake Charles	232.1	0.0916	2.85	11,966	114,641	111,167	186	55,485	50	39,734	36	58	111
Lansing	633.5	0.2498	2.77	13,916	423,743	382,807	692	168,109	44	191,042	50	118	106
Laredo	149.0	0.0587	3.84	7,319	70,650	69,551	111	32,374	47	27,411	39	60	86
Las Vegas	840.1	0.3313	2.59	14,896	704,968	602,978	809	251,298	42	266,154	44	92	443
Laurel - Hattiesburg	251.5	0.0991	2.77	9,824	103,251	101,424	247	65,474	65	27,308	27	68	78
Lexington	973.1	0.3838	2.68	11,895	585,512	569,651	1,002	321,637	56	196,832	35	89	96
Lima	110.6	0.0436	2.80	11,899	83,934	79,103	152	37,560	47	34,630	44	98	76
Lincoln - Hastings - Kearney	623.0	0.2452	2.56	13,570	382,101	334,066	860	154,114	46	157,497	47	89	76
Little Rock	1,193.8	0.4709	2.63	12,107	619,438	607,919	1,300	323,284	53	218,152	36	76	89
Los Angeles	13,838.1	5.4560	2.99	15,923	12,808,924	12,187,468	16,126	4,613,974	38	6,383,164	52	133	110
Louisville	1,445.0	0.5701	2.64	13,145	1,002,540	950,002	1,534	532,164	56	340,439	36	103	99
Lubbock	378.9	0.1493	2.80	11,825	258,443	239,406	518	117,381	49	91,802	38	85	67
Macon	509.6	0.2011	2.78	11,357	294,669	281,721	524	152,248	54	102,126	36	91	98
Madison	727.1	0.2866	2.61	14,729	596,190	515,305	967	189,517	37	297,366	58	109	96
Mankato	81.9	0.0322	2.70	11,718	57,194	48,703	105	18,202	37	27,982	57	61	73
Marquette	151.6	0.0598	2.66	10,998	89,207	75,924	205	30,416	40	41,808	55	76	59
McAllen - Brownsville	733.7	0.2893	3.67	7,311	280,859	263,222	567	122,704	47	103,663	39	60	74
Medford	356.6	0.1404	2.53	11,924	276,675	251,685	536	100,125	40	136,098	54	90	60
Memphis	1,641.2	0.6489	2.76	11,887	777,433	760,149	1,637	395,301	52	275,519	36	85	94
Mendian	180.4	0.0714	2.75	10,048	66,104	65,032	152	42,497	65	17,383	27	58	95
Miami - Ft. Lauderdale	3,367.3	1.3276	2.61	14,725	3,166,074	2,936,601	4,404	940,654	32	1,670,893	57	118	100
Milwaukee	2,080.1	0.8203	2.69	14,952	1,620,165	1,423,545	2,494	540,378	38	760,064	53	113	103
Minneapolis - St. Paul	3,718.2	1.4663	2.67	14,857	2,876,209	2,607,784	4,164	953,802	37	1,395,649	54	107	112
Minot - Bismarck - Dickinson - Glendive	365.4	0.1439	2.67	11,835	205,143	165,848	497	78,007	47	82,488	50	79	72
Missoula	192.8	0.0760	2.58	13,343	156,446	126,130	314	47,721	38	70,844	56	81	63
Mobile - Pensacola	1,122.4	0.4424	2.73	11,935	742,301	697,983	1,224	357,716	51	285,484	41	99	94
Monroe - El Dorado	478.3	0.1886	2.82	10,426	212,729	207,817	371	111,731	54	70,420	34	55	101
Montgomery - Selma	582.7	0.2298	2.78	11,065	294,472	285,439	538	181,284	64	80,980	28	82	98
Nashville	1,911.2	0.7536	2.64	13,267	1,250,819	1,225,344	2,045	628,588	51	503,273	41	104	107
New Orleans	1,676.0	0.6607	2.77	12,738	1,281,684	1,196,401	1,817	512,708	43	503,323	42	80	104
New York	18,758.4	7.3960	2.75	19,015	13,399,303	12,445,514	23,313	3,206,231	26	6,975,188	56	90	105
Norfolk - Portsmouth - Newport News - Hampton	1,691.1	0.6666	2.80	13,162	1,117,814	1,094,141	1,967	522,842	48	470,779	43	96	99
North Platte	44.9	0.0177	2.54	13,150	34,181	31,477	66	14,500	46	15,109	48	99	82

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Odessa - Midland	377.2	0.1488	2.85	12,359	195,769	182,127	487	91,166	50	69,013	38	58	65
Oklahoma City	1,471.9	0.5802	2.60	12,165	954,620	927,445	2,094	446,143	48	338,866	37	95	68
Omaha	946.7	0.3728	2.64	14,481	671,487	591,190	1,227	262,615	44	278,229	47	98	89
Orlando - Daytona Beach - Melbourne	2,378.8	0.9378	2.55	14,009	2,207,011	2,094,650	2,853	757,127	36	1,155,332	55	118	122
Ottumwa - Kirksville	87.2	0.0343	2.57	10,895	34,369	32,638	94	17,005	52	14,021	43	63	70
Paducah - Cape Girardeau - Harrisburg - Marion	854.9	0.3370	2.55	11,209	421,055	399,799	983	232,808	58	144,032	36	77	70
Palm Springs	1,290.0	0.5087	2.92	14,218	885,742	848,562	1,147	377,358	44	438,472	52	104	113
Panama City	257.3	0.1014	2.65	11,282	217,099	198,866	315	76,446	38	106,926	54	92	76
Parkersburg	148.6	0.0587	2.58	12,455	88,935	85,181	172	50,917	60	27,164	32	83	88
Peoria - Bloomington	587.8	0.2317	2.66	14,626	403,632	374,206	746	171,586	46	160,529	43	99	91
Philadelphia	7,245.8	2.8569	2.72	16,948	4,871,855	4,411,641	8,292	1,488,472	34	2,342,390	53	80	131
Phoenix	2,727.3	1.0754	2.65	13,346	2,100,396	1,951,243	3,041	783,374	40	951,873	49	85	107
Pittsburgh	2,941.0	1.1595	2.55	13,964	1,750,748	1,592,791	3,406	613,241	39	798,732	50	79	86
Portland, Ore.	2,342.8	0.9236	2.60	14,309	2,197,487	2,002,692	3,100	762,013	38	1,075,812	54	119	90
Portland - Poland Spring	898.7	0.3544	2.60	14,258	853,290	823,238	1,423	289,494	35	479,179	58	101	82
Presque Isle	86.2	0.0339	2.76	10,782	43,055	40,017	90	14,371	36	23,018	58	56	81
Providence - New Bedford	1,535.7	0.6055	2.67	14,326	1,384,436	1,268,892	2,127	445,349	35	708,085	56	114	81
Quincy - Hannibal	275.2	0.1086	2.62	11,657	133,273	113,986	328	60,377	53	46,885	41	77	69
Raleigh - Durham	1,988.1	0.7836	2.67	13,206	1,583,238	1,554,092	2,183	778,604	50	617,765	46	124	105
Rapid City	238.3	0.0941	2.73	13,181	158,788	141,017	351	55,636	39	78,341	56	88	73
Reno	456.1	0.1798	2.58	15,212	363,024	326,023	572	134,900	41	154,757	47	88	243
Richmond	1,163.5	0.4589	2.64	14,575	680,851	670,908	1,304	316,371	47	275,240	41	81	107
Roanoke - Lynchburg	1,006.5	0.3969	2.60	11,885	538,284	532,294	1,136	254,109	48	224,207	42	79	97
Rochester, N.Y.	1,008.0	0.3975	2.68	15,331	675,576	630,262	1,205	244,947	39	311,472	49	73	106
Rochester - Mason City - Austin	349.9	0.1378	2.57	13,194	210,881	194,271	448	76,609	39	104,411	54	80	85
Rockford	414.9	0.1637	2.64	15,012	278,607	254,255	513	110,857	44	117,229	46	96	90
Sacramento - Stockton	3,204.1	1.2634	2.80	14,245	2,411,134	2,264,031	3,726	977,221	43	1,153,326	51	103	91
St. Joseph	119.2	0.0471	2.61	11,575	71,863	66,153	144	32,442	49	26,687	40	87	76
St. Louis	2,946.1	1.1616	2.65	15,008	2,179,392	2,028,103	3,507	976,791	48	765,618	38	108	102
Salinas - Monterey	640.4	0.2525	3.02	15,199	592,394	547,076	926	191,840	35	328,429	60	130	88
Salisbury	253.2	0.0999	2.63	12,664	320,671	306,659	486	125,020	41	161,775	53	156	69
Salt Lake City	1,906.0	0.7514	3.19	11,613	1,025,937	986,898	1,923	491,296	50	409,223	41	79	107
San Angelo	135.8	0.0536	2.75	12,194	77,675	74,070	172	35,889	48	28,630	39	85	62
San Antonio - Victoria	1,800.6	0.7098	2.90	11,846	1,297,291	1,213,219	2,024	589,948	49	472,298	39	92	87
San Diego	2,604.4	1.0268	2.83	15,681	2,335,486	2,206,415	3,058	853,084	39	1,182,102	54	132	112
San Francisco - Oakland - San Jose	5,971.5	2.3545	2.68	19,035	6,667,501	6,278,100	8,850	2,095,888	33	3,522,178	56	141	104
Santa Barbara - Santa Maria - San Luis Obispo	603.7	0.2381	2.80	16,059	602,871	575,193	899	197,841	34	353,626	61	118	83
Sarasota	287.8	0.1135	2.21	17,580	280,920	271,165	441	66,283	24	184,304	68	112	74
Savannah	663.0	0.2612	2.82	11,056	439,559	422,689	712	224,100	53	160,688	38	95	92
Seattle - Tacoma	3,640.0	1.4351	2.57	16,561	3,600,159	3,362,587	4,744	1,189,010	35	1,914,611	57	113	99
Shreveport - Texarkana	1,002.6	0.3953	2.70	11,305	453,207	442,761	897	236,765	53	161,123	36	96	91
Sioux City	412.3	0.1627	2.67	12,478	224,404	193,200	571	85,464	44	95,079	49	71	67
Sioux Falls - Mitchell	576.8	0.2273	2.63	13,193	352,765	304,813	813	115,879	38	172,740	57	85	74
South Bend - Elkhart	815.7	0.3217	2.72	13,248	558,449	518,689	1,057	258,737	50	215,073	41	107	80
Spokane	838.7	0.3308	2.60	12,514	620,307	558,531	1,063	237,438	43	285,648	51	79	80

1991 ADI Report

12/31/91

1991

ADI Name	Population (Thous.)	% of U.S.	Average House- hold Size	Per Capita EBI	Eating & Drinking Place Sales (\$000)	Eating Place Sales (\$000)	Units	Fast Food Market Sales (\$000)	Share (%)	Restaurant Market Sales (\$000)	Share (%)	RAI	RGI
Springfield, Miss.	678.9	0.2676	2.71	14,512	622,603	560,768	807	185,480	33	332,150	59	116	94
Springfield, Mo.	835.4	0.3294	2.58	11,248	421,126	403,598	1,064	211,209	52	160,257	40	80	69
Springfield - Decatur - Champaign	930.3	0.3667	2.61	14,148	665,657	600,927	1,170	276,662	46	267,869	45	111	88
Syracuse	964.6	0.3804	2.73	13,642	626,093	574,047	1,321	203,559	35	291,076	51	75	82
Tallahassee - Thomasville	541.8	0.2136	2.74	11,356	327,918	310,336	559	140,775	45	147,146	47	82	102
Tampa - St. Petersburg	2,968.4	1.1822	2.40	13,712	2,196,251	2,076,593	3,359	810,508	39	1,073,907	52	93	94
Terre Haute	411.2	0.1620	2.62	11,932	196,674	179,043	461	96,230	54	69,361	39	85	75
Toledo	1,103.8	0.4353	2.71	13,316	777,838	706,186	1,403	314,989	45	329,425	47	100	81
Topeka	418.4	0.1652	2.67	12,943	258,035	238,557	533	124,777	52	89,302	37	101	82
Traverse City - Cadillac	486.3	0.1919	2.66	11,297	341,759	294,825	759	118,440	40	161,532	55	75	59
Tucson	821.5	0.3238	2.60	11,970	520,465	478,498	952	203,946	43	233,299	49	86	86
Tulsa	1,157.5	0.4565	2.67	12,118	721,764	699,840	1,481	350,284	50	245,679	35	80	75
Tuscaloosa	153.4	0.0605	2.72	12,166	90,036	86,953	164	52,791	61	26,129	30	102	94
Twin Falls	98.8	0.0390	2.68	13,164	65,306	60,855	149	27,665	45	29,630	49	98	66
Tyler - Longview - Jacksonville	554.0	0.2183	2.67	12,279	334,599	322,931	614	163,937	51	121,166	38	76	71
Utica	377.4	0.1487	2.72	12,563	249,562	233,049	495	70,700	30	127,226	55	86	74

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BLANCHED TO
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MATERIAL.
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STOP THERE, OUR
CLAMS ARE
WASHED TWO MORE
TIMES IN THEIR
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FREE OF SAND OR
SHELL, BUT WITH
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DAY, WE HAVE THE
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12/31/91

1991

ADI Name	Population (Thous.)	% of U.S.	Average House- hold Size	Per Capita EBI	Eating & Drinking Place Sales (\$000)	Eating Place Sales (\$000)	Units	Fast Food Market Sales (\$000)	Market Share (%)	Restaurant Market Sales (\$000)	Market Share (%)	RAI	RGI
Waco - Temple - Bryan	716.3	0.2826	2.83	11,567	391,264	367,961	736	174,993	48	143,381	39	76	77
Washington, D.C.	4,852.3	1.9133	2.70	19,261	4,075,389	3,965,942	5,827	1,430,732	36	1,973,365	50	117	130
Watertown - Carthage	257.6	0.1016	2.94	10,953	146,793	132,241	313	51,360	39	69,278	52	69	66
Wausau - Rhineclaire	441.8	0.1743	2.70	12,433	307,570	261,787	616	90,544	35	159,327	61	99	71
West Palm Beach - Ft. Pierce													
Vero Beach	1,320.6	0.5208	2.39	18,022	1,169,367	1,109,530	1,604	339,046	31	696,662	63	106	96
Wheeling - Steubenville	399.6	0.1575	2.59	11,634	205,875	185,039	438	100,338	54	69,963	38	71	79
Wichita - Hutchinson	1,100.8	0.4341	2.59	13,686	744,636	714,012	1,567	360,210	50	275,020	39	93	79
Wichita Falls - Lawton	424.3	0.1675	2.70	11,289	239,315	227,857	517	114,814	50	83,507	37	92	70
Wilkes-Barre - Scranton	1,384.3	0.5455	2.62	12,728	767,514	713,767	1,746	285,548	40	359,985	50	70	76
Wilmington	392.0	0.1546	2.64	11,319	231,216	226,891	487	122,149	54	84,110	37	88	74
Yakima - Pasco - Richland													
Kennewick	486.9	0.1919	2.78	11,992	350,388	320,108	545	119,731	37	180,628	56	81	91
Youngstown	717.3	0.2829	2.63	12,234	439,986	399,847	877	181,331	45	179,480	45	91	74
Zanesville	82.5	0.0326	2.66	11,468	61,879	56,073	98	29,774	51	24,363	42	101	77
Total U.S. ADIs	251,920.8	99.3265	2.71	14,687	186,410,994	174,366,620	300,996	70,495,699	40	64,966,325	49	99	100



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1991 Total Population

1991 Per Capita Effective Buying Income

Metro Area	Per Capita EBI	Rank	Metro Area	Per Capita EBI	Rank	Metro Area	Per Capita EBI	Rank
Bridgeport-Stamford-Fairfield	26,198	1	Kalamazoo	14,763	105	Elmira	12,749	214
Danbury	23,367	2	Peoria	14,753	106	Victoria	12,739	215
Lake County, Ill.	22,572	3	Orlando	14,724	107	Hickory-Morganton	12,731	216
Middlesex-Somerset-Huntingdon	22,200	4	Las Vegas	14,693	108	Ranger	12,720	217
Bergen-Passaic	20,843	5	Olympia	14,696	109	Muncie	12,699	218
San Francisco	20,835	6	Grand Rapids	14,676	110	San Angelo	12,681	219
Newark	20,670	7	Green Bay	14,640	111	Salem, Ore.	12,675	220
Naples	20,502	8	Dayton-Springfield	14,590	112	Abilene	12,673	221
Trenton	20,420	9	Decatur, Ill.	14,554	113	Owensboro	12,665	222
Washington	20,218	10	Charlotte-Gastonia-Rock Hill	14,536	114	Modesto	12,662	223
Nassau-Suffolk	19,885	11	Springfield, Mass.	14,520	115	Williamsport	12,629	224
Anchorage	19,456	12	Vancouver	14,440	117	Beaumont-Port Arthur	12,622	225
San Jose	19,422	13	Bellingham	14,434	118	Lubbock	12,599	226
Moonmouth-Ocean	19,020	14	Fort Wayne	14,430	119	State College	12,595	227
Hartford-New Britain-Middletown-Bristol	19,017	15	Lansing-East Lansing	14,409	120	Lake Charles	12,589	228
West Palm Beach-Boca Raton-Delray Beach	18,812	16	Akron	14,395	121	Macon-Warner Robins	12,584	229
Anaheim-Santa Ana	18,563	17	Cheyenne	14,369	122	Longview-Marshall	12,564	230
Boston-Lawrence-Salem-Lowell-Brockton	18,563	17	Casper	14,342	123	Utica-Rome	12,560	231
Seattle	18,307	19	New Bedford-Fall River-Attleboro	14,304	124	Stockton	12,546	232
Oakland	18,264	20	Salinas-Seaside-Monterey	14,301	125	Medford	12,522	233
Manchester-Nashua	17,774	21	Champaign-Urbana-Rantoul	14,242	126	Jackson, Tenn.	12,465	234
New Haven-Waterbury-Meriden	17,673	22	Bradenton	14,243	126	Parkersburg-Manetta	12,455	235
Boulder-Longmont	17,582	23	Louisville	14,242	127	Beaver County, Pa.	12,444	236
San Diego	17,464	24	Greensboro-Winston-Salem-High Point	14,218	128	Pennsacola	12,423	237
Chicago	17,285	25	Tempe-St. Petersburg-Clearwater	14,196	129	Wichita Falls	12,397	239
New York	17,255	26	Syracuse	14,150	131	San Antonio	12,386	240
Philadelphia	17,238	27	Fair	14,148	132	Hagerstown	12,378	241
Poughkeepsie	17,229	28	Hartford-Middletown	14,141	133	Eau Claire	12,377	242
Honolulu	17,171	29	Appleton-Oshkosh-Neenah	14,109	134	Sharon	12,375	243
Portsmouth-Dover-Rochester	17,153	30	Providence-Foxfield-Woonsocket	14,104	135	Savannah	12,374	244
Oxnard-Ventura	17,133	31	Rochester	14,096	136	Charleston, S.C.	12,370	245
Aurora-Evanston	17,119	32	Davenport-Rock Island-Moline	14,094	137	Youngstown-Warren	12,346	246
Denver	16,993	33	Phoenix	14,055	138	Anderson, Ind.	12,341	247
Fort Lauderdale-Hollywood	16,953	34	Galveston-Texas City	14,046	139	Waco	12,314	248
Pompano Beach	16,920	35	Bellevue	14,037	140	Redding	12,302	249
Santa Cruz	16,844	36	Fort Collins-Loveland	14,005	141	Fayetteville-Springdale	12,287	250
Ann Arbor	16,818	37	Kokomo	14,002	143	Suzon	12,285	251
New London-Norwich	16,816	38	Jacksonville, Fla.	13,993	144	Panama City	12,259	252
Santa Fe	16,813	39	Wilmington, N.C.	13,987	145	Dorham	12,257	253
Santa Barbara-Santa Maria-Lompoc	16,558	40	Bethesda	13,935	146	Terre Haute	12,247	254
Scotts Falls	16,471	41	Brazoria	13,898	147	Lafayette, La.	12,246	255
Minneapolis-St. Paul	16,436	42	Birmingham	13,885	148	Lorain-Elyria	12,218	256
Madison	16,428	43	Baton Rouge	13,883	149	Lima	12,215	257
Atlantic City	16,410	44	Abuquerque	13,860	150	Stouffville-Wenton	12,182	258
Springfield, Ill.	16,316	45	Little Rock-North Little Rock	13,850	151	Altoona	12,181	259
Wilmington, Del.	16,312	46	Colorado Springs	13,845	151	Bakersfield	12,180	260
Raleigh-Durham	16,261	47	Birmingham	13,822	152	Lakeland-Winter Haven	12,178	261
Houston	16,201	48	Fargo-Moorhead	13,768	154	Tuscaloosa	12,176	262
Joliet	16,199	49	Buffalo	13,750	155	Tulsa	12,109	263
Atlanta	16,173	50	Toledo	13,750	155	Duluth	12,107	264
Kansas City	16,130	51	Sheboygan	13,711	157	Augusta	12,091	265
Des Moines	16,115	52	Greens Falls	13,698	158	Chico	12,063	267
Portland, Me.	16,114	53	Janesville-Beaumont	13,653	159	Anderson, S.C.	12,036	268
Fort Worth-Arlington	16,112	54	South Bend-Mishawaka	13,650	160	Bloomington, Ind.	12,019	269
Huntsville	16,051	55	Riverside-San Bernardino	13,647	161	Texarkana	12,015	270
Cedar Rapids	15,999	56	Columbia, Mo.	13,641	162	Corpus Christi	11,972	271
Burlington, Vt.	15,988	57	Columbia, S.C.	13,629	163	Johnson City-Kingsport-Bristol	11,950	272
Reno	15,958	58	Knoxville	13,625	164	St. Cloud	11,934	273
Bloomington-Normal	15,922	59	Evansville	13,606	165	Mobile	11,917	274
Worcester-Fitchburg-Leominster	15,858	61	Burlington, N.C.	13,590	166	Florence, Ala.	11,892	275
Fort Pierce	15,857	62	New Orleans	13,575	167	Muskogee	11,891	276
Baltimore	15,776	63	Richard-Kennelwood-Pasco	13,559	168	Lynchburg	11,881	277
Midland-Tex.	15,760	64	Decatur, Ala.	13,556	169	Fresno	11,776	278
Detroit	15,695	65	Vineyard-Milville-Bridgeton	13,507	170	Wheeling	11,730	279
St. Louis	15,693	66	Norfolk-Virginia Beach-Newport News	13,476	171	Oakdale	11,720	280
Rochester, Minn.	15,681	67	Spokane	13,439	172	Kalamazoo	11,718	281
Indianapolis	15,677	68	Tyler	13,436	173	Florence, S.C.	11,655	282
Austin	15,650	69	Wausau	13,416	174	Fort Smith	11,645	283
Harrisburg-Lebanon-Carlisle	15,613	70	Lafayette-West Lafayette	13,376	175	Joplin	11,611	284
Fort Myers-Cape Coral	15,598	71	Charleston, W. Va.	13,374	176	Ocala	11,607	285
Albany-Schenectady-Troy	15,592	72	Amarillo	13,365	177	Monroe	11,581	286
Lincoln	15,559	74	Asheville	13,357	179	Bryan-College Station	11,410	287
Orange County, N.Y.	15,555	75	Sioux City	13,292	180	Yuba City	11,404	288
Iowa City	15,553	76	Negata Falls	13,282	181	Athens	11,402	289
Rockford	15,549	77	Tulsa	13,258	182	Alexandria, La.	11,374	290
Omaha	15,543	78	Canton	13,246	183	End	11,347	291
Albany-Berlinham-Easton	15,531	79	Ene	13,240	184	Annapolis	11,346	292
Los Angeles-Long Beach	15,503	80	Greenville-Spartanburg	13,220	185	Huntington-Ashland	11,334	293
Milwaukee	15,483	81	Great Falls	13,190	187	Huntington	11,305	294
Richmond-Petersburg	15,457	82	Blount Harbor	13,188	188	Florence, S.C.	11,294	295
Portland, Ore.	15,423	83	Dubuque	13,180	189	Jacksonville, N.C.	11,280	296
Sacramento	15,419	84	Scranton-Wilkes-Barre	13,153	190	Clarksville-Kingsville	11,212	297
Cleveland	15,341	85	Bottle Creek	13,149	191	Columbus, Ga.	11,164	298
Rochester, N.Y.	15,331	86	Miami-Hialeah	13,140	191	Fayetteville, N.C.	11,149	299
Topeka	15,298	87	Saginaw-Bay City-Midland	13,138	192	Pasadena	11,108	300
Wichita	15,297	88	Tallahassee	13,106	193	Johnstown	11,059	302
Cincinnati	15,285	89	Kankakee	13,096	194	Blount-Gulpport	10,986	303
Pittsfield	15,238	90	Daytona Beach	13,086	195	Gadsden	10,928	304
Nashville	15,219	91	Fort Walton Beach	13,077	196	Lawton	10,911	305
Columbus, Ohio	15,190	92	Waterloo-Cedar Falls	13,073	197	Houston-Thibodaux	10,841	306
Reading	15,179	93	Springfield, Mo.	13,065	198	Cumtland	10,713	308
Boise	15,140	94	Gary-Hammond	13,049	199	Visalia-Tulare-Porterville	10,680	309
Melbourne-Titusville-Palm Bay	15,104	95	Meriden	13,047	201	Merced	10,605	310
Rapid City	15,101	96	Jackson, Mich.	13,038	202	Pre-Buff	10,539	311
Lancaster	15,043	97	Lawson-Auburn	13,025	203	Yuma	10,389	312
Lexington-Fayette	14,978	99	Jackson, Miss.	13,024	204	Albany, Ga.	10,003	313
Pittsburgh	14,907	100	Montgomery	12,999	205	Jameson-Dunkirk	9,952	314
Vallejo-Fairfield-Napa	14,906	101	Oaklahoma City	12,939	206	El Paso	9,701	315
Chenotteeville	14,904	102	Grand Forks	12,859	207	Provo-Orem	9,618	316
Bremerton	14,864	103	Sherman-Danison	12,858	208	Las Cruces	9,539	317
Raone	14,778	104	Lawrence, Kans.	12,822	209	Brownsville-Harlingen	7,698	318
			Eugene-Springfield	12,814	210	McAllen-Edinburg-Mission	7,362	319
			Shreveport	12,791	211	Laredo	7,305	320
			Chattanooga	12,780	212	Total Above Areas	15,622	
			Kansas City	12,752	213	United States Total	14,702	
			La Crosse					

1991 Eating Place Sales

Metro Area	Sales (\$000)	Rank	Metro Area	Sales (\$000)	Rank	Metro Area	Sales (\$000)	Rank
New Angeles - Long Beach	8,110,289	1	Fort Myers - Cape Coral	317,266	154	Monroe	114,206	214
New York	5,832,847	2	Valejo - Fairfield - Napa	316,567	155	Olympia	112,921	215
Chicago	4,935,123	3	Des Moines	315,060	156	Wichita Falls	108,832	216
Boston - Lawrence - Salem - Lowell	4,148,732	4	Daytona Beach	313,012	157	Birmingham	107,540	217
Washington	3,159,620	5	Manchester - Nashua	304,447	158	Lima	106,195	218
Detroit	3,075,623	6	Madison	299,427	159	Richard - Kennewick - Pasco	106,166	219
Philadelphia	2,805,096	7	Melbourne - Titusville - Palm Bay	294,490	160	Atlanta	105,249	220
Atlanta	2,615,941	8	Youngstown - Warren	293,568	161	Souix Falls	104,843	221
Anaheim - Santa Ana	2,596,666	9	Lansing - East Lansing	291,415	162	Bremerton	104,825	222
San Francisco	2,596,666	10	Baton Rouge	289,460	163	Longview - Marshall	103,320	223
Dallas	2,350,212	11	Portland, Me.	289,130	164	Lawhart - Goshen	102,465	224
Houston	2,265,149	12	El Paso	289,084	165	Bangor	101,919	225
Seattle	2,110,962	13	Mobile	286,144	166	St. Cloud	101,362	226
San Diego	2,206,415	14	Lancaster	280,127	167	Muskogee	101,330	227
Minneapolis - St. Paul	2,048,634	15	Augusta	277,784	168	Redding	100,370	228
St. Louis	1,855,483	16	Colorado Springs	273,122	169	Lafayette - West Lafayette	99,640	229
Oakland	1,838,152	17	Fort Wayne	271,845	170	Johnstown	99,559	230
Norfolk - Suffolk	1,800,426	18	Sarasota	271,166	171	Bilings	99,116	231
Riverside - San Bernardino	1,786,874	19	Chattanooga	271,030	172	Charlottesville	98,507	232
Phoenix	1,733,726	20	Saginaw - Bay City - Midland	269,125	173	Eau Claire	98,510	233
Baltimore	1,589,540	21	Ann Arbor	265,799	174	Battle Creek	93,783	234
Tampa - St. Petersburg - Clearwater	1,581,354	22	Canton	260,966	175	Dorham	93,102	235
Miami - Hialeah	1,561,813	23	Davenport - Rock Island - Moline	256,923	176	Lake Charles	92,724	236
Honolulu	1,507,618	24	Jackson, Miss.	251,714	177	Rapine	92,510	237
San Jose	1,459,583	25	El Paso	249,197	178	Holyoke - Thibodaux	92,316	238
Sacramento	1,287,411	27	Modesto	242,168	179	Lyndburg	91,567	239
Cincinnati	1,286,873	28	Irving City	241,553	180	Wheeling	91,298	240
Cleveland	1,248,981	29	Johnson City - Kingsport - Bristol	235,871	181	Oakville - Hopkville	90,606	241
Portland, Ore.	1,242,504	30	Eugene - Springfield	235,165	182	La Crosse	90,524	242
Fort Lauderdale - Hollywood - Pompano Beach	1,231,904	31	Peñasco	233,513	183	Provo - Orem	89,613	243
Orlando	1,231,637	32	Lakeland - Winter Haven	229,935	184	Johns	89,526	244
Pittsburgh	1,224,177	33	Aurora - Elgin	226,410	185	Decorah	89,231	245
Kansas City	1,193,738	34	Reading	218,219	186	Bloomington - Ind.	88,802	246
Columbus, Ohio	1,156,231	35	Shreveport	216,304	187	Jacksonville - Becht	88,706	247
Newark	1,139,616	36	Peara	215,901	188	State College	87,906	248
Indianapolis	1,102,949	37	Beaumont - Port Arthur	214,503	189	Brazoria	87,028	249
Milwaukee	1,061,040	38	Evansville	212,332	190	Tuscaloosa	86,953	250
San Antonio	1,040,592	39	Santa Cruz	210,646	191	Waterloo - Cedar Falls	86,587	251
New Orleans	1,014,547	40	Boulder - Longmont	209,933	192	Parkersburg - Marietta	85,181	252
Raleigh - Durham	984,683	41	Trenton	209,350	193	Gens Falls	84,240	253
Norfolk - Virginia Beach - Newport News	969,908	42	Corpus Christi	207,846	194	Manfield	83,996	254
Hartford - New Britain - Middletown - Bristol	924,410	43	Macon - Warner Robins	203,919	195	Jacksonville, N.C.	81,788	255
Berger - Piquette	923,061	44	Appleton - Oshkosh - Neenah	202,932	196	Rochester, Minn.	81,324	256
Fort Worth - Arlington	913,040	45	Salem, Ore.	201,339	197	Albany	81,120	257
Nashville	879,394	46	Rockford	201,523	198	Anderson, S.C.	80,943	258
West Palm Beach - Boca Raton	847,409	47	San Francisco	200,450	199	Souix City	80,034	259
Dayton - Springfield	847,409	48	New London - Norwalk	196,264	199	Pueblo	79,393	260
Charotte - Gastonia - Rock Hill	841,268	49	Savannah	190,716	201	Jackson, Mich.	78,646	261
Jacksonville, Fla.	798,520	50	Peno	189,881	202	Bryan - College Station	77,993	262
Louisville	741,228	50	South Bend - Mishawaka	189,435	203	Lewiston - Auburn	77,678	263
Oklahoma City	718,239	51	Lubbock	189,255	204	Murice	77,387	264
Austin	694,492	52	Tulsa	185,492	205	Iowa City	77,133	265
Dayton - Springfield	692,534	53	Joel	185,029	206	Merced	76,107	266
Greensboro - Winston-Salem - High Point	688,500	54	Utica - Rome	182,317	207	Altoona	75,462	267
Bridgport - Stamford - Norwalk - Danbury	683,539	55	Bradenton	181,447	208	Anderson, Ind.	75,401	268
Providence - Pawtucket - Woonsocket	681,247	56	Fort Pierce	178,732	209	Columbia, Mo.	75,400	269
Middlesex - Somerset - Hunderdon	679,666	57	Huntsville	177,481	210	Kenisha	73,815	270
Salt Lake City - Ogden	673,282	58	Rosario	177,262	211	Florence, Ala.	73,585	271
New Haven - Waterbury - Meriden	662,544	59	Lafayette, La.	173,523	212	Kokomo	73,481	272
Buffalo	661,924	60	Lafayette, La.	171,503	213	Beaver County, Pa.	72,516	273
Monmouth - Ocean	640,666	61	Springfield, Mo.	170,988	214	Anniston	71,412	274
Rochester, N.Y.	630,262	62	Orange County, N.Y.	170,417	215	Alexandria, La.	70,636	275
Las Vegas	597,278	63	Charleston, W.Va.	167,112	216	Albany, Ga.	69,020	276
Richmond - Petersburg	592,208	64	Anarao	165,333	217	Odessa	68,739	277
Albany - Schenectady - Troy	584,805	65	Poughkeepsie	164,825	218	Texarkana	68,620	278
Birmingham	578,918	66	Hampton - Middletown	164,009	219	Rapid City	68,359	279
Worcester - Fitchburg - Leominster	567,774	67	Huntington - Ashland	163,495	220	Wausau	68,262	280
Memphis	565,705	68	Naples	163,166	221	Laredo	67,429	281
Onard - Ventura	517,943	69	Ene	163,121	222	Florence, S.C.	66,721	282
Tulsa	517,371	70	Galveston - Texas City	163,028	223	Burlington, N.C.	66,260	283
Springfield, Mass.	516,110	71	Columbus, Ga.	162,713	224	Fayetteville - Springdale	64,343	284
Knoxville	484,476	72	Gainesville	162,093	225	Greely	64,159	285
Fresno	478,217	73	Boise	159,729	226	Dubuque	63,941	286
Greenville - Spartanburg	459,909	75	Fayetteville, N.C.	159,244	227	Lawrence, Kans.	63,924	287
Omaha	459,053	76	Parana City	155,292	228	Jamestown - Dunkirk	62,714	288
Grand Rapids	458,625	77	Lincoln	153,840	229	Las Cruces	61,573	289
New Bedford - Fall River - Attleboro	457,270	78	Champaign - Urbana - Rantoul	152,727	230	San Angelo	61,321	290
Toledo	456,891	79	Birmingham	151,222	231	Hagerstown	60,710	291
Tacoma	454,222	80	Vancouver	150,825	232	Staubertville - Weston	60,180	292
Tucson	434,202	81	Burlington, Vt.	148,658	233	Cumberland	59,159	293
Scranton - Wilkes-Barre	430,472	82	Ashville	145,162	234	Midland, Tex.	59,378	294
Albuquerque	426,901	83	Fort Collins - Loveland	144,318	235	Shenoygan	58,213	295
Syracuse	424,313	84	Pittsfield	143,262	236	Cheyenne	57,170	296
Lake County, Ill.	412,243	85	Green Bay	143,019	237	Great Falls	56,807	297
Allenlow - Bethlehem - Easton	396,915	86	Cedar Rapids	140,680	238	Williamsport	56,659	298
Santa Barbara - Santa Maria - Lompoc	389,086	87	Hickory - Morganton	139,731	239	Sharon	56,512	299
Columbia, S.C.	387,523	88	Ocala	136,895	240	Decatur, Ala.	56,436	300
Anchorage	383,503	89	McAllen - Edinburg - Mission	134,598	241	Bismarck	56,169	301
Wichita	376,504	90	Loran - Elyria	134,233	242	Vineand - Millville - Bridgeton	55,872	302
Portland, Del.	364,741	91	Winnington, N.C.	129,748	243	Piscataway	54,777	303
Atlantic City	363,890	92	Durham	129,423	244	Yuma	54,750	304
Harrisburg - Lebanon - Carlisle	359,980	93	Waco	128,605	245	St. Joseph	52,916	305
Bakersfield	358,350	94	Topoka	127,919	246	Owensboro	52,556	306
Gary - Hammond	354,537	95	Visalia - Tulare - Porterville	127,702	247	Elmer	52,095	307
Charleston, S.C.	347,569	96	Blom - Gulfport	127,664	248	Danville, Va.	51,860	308
Little Rock - North Little Rock	343,966	97	Nagars Falls	126,534	249	Lawton	51,843	309
Portsmouth - Dover - Rochester	338,798	98	Fort Smith	124,921	250	Sherman - Denison	51,315	310
Spokane	332,887	99	Medford	124,496	251	Gadsden	50,390	311
Stockton	332,314	100	Springfield, Ill.	124,431	252	Kankakee	47,746	312
Santa Rosa - Petaluma	332,123	101	Yakima	122,635	253	Grand Forks	47,367	313
Leavenworth - Fayette	322,731	102	Benton Harbor	122,532	254	Victoria	44,817	314
Saras - Seaside - Monterey	318,220	103	Kileen - Temple	121,132	255	Jackson, Tenn.	43,196	315
			Brownsville - Harlingen	119,154	256	Casper	41,212	316
			Tyler	118,428	257	Prine Buft	40,653	317
			Santa Fe	117,526	258	End	32,353	318
			Bloomington - Normal	114,924	259			
			Fargo - Moorhead	114,400	260			
				114,248	213			

1991 Eating Place Units

Metro Area	Units	Rank	Metro Area	Units	Rank	Metro Area	Units	Rank
Los Angeles - Long Beach	10,593	1	Baton Rouge	505	106	Ocala	202	215
New York	10,443	2	Madison	503	107	Fargo - Moorhead	199	216
Chicago	7,423	3	Daytona Beach	502	108	Olympia	197	217
Boston - Lawrence - Salem - Lowell			Colorado Springs	501	109	Provo - Orem	196	218
Brooklyn	5,236	4	Melbourne - Titusville - Palm Bay	497	110	Yakima	195	219
Philadelphia	5,224	5	Sarasota - Seaside - Monterey	493	111	Muskegon	194	220
Washington	4,940	6	Lansing - East Lansing	489	112	St. Cloud	193	221
Detroit	4,890	7	Fort	488	113	Beaumont	192	222
Atlanta	4,436	8	Vallejo - Fairfield - Napa	487	114	Birmingham - Normal	191	223
Norwalk - Suffolk	3,545	9	Portsmouth - Dover - Rochester	481	115	Biloxi	187	224
Houston	3,317	10	Fort Wayne	475	116	Jamestown - Dunkirk	185	225
Anaheim - Santa Ana	3,333	11	Lexington - Fayetteville	475	116	Joplin	184	226
San Francisco	3,324	12	York	470	118	Waterloo - Cedar Falls	184	226
Dallas	3,195	13	Fort Myers - Cape Coral	466	119	Clarksville - Hopkinsville	183	228
St. Louis	3,158	14	Corpus Christi	460	120	Albany	182	229
San Diego	3,058	14	Spokane	460	120	Bathe Creek	182	229
Seattle	2,817	16	Lancaster	459	122	Fair Oaks	182	229
Minneapolis - St. Paul	2,752	17	Jackson - Mills	457	123	Wheeling	181	232
Oakland	2,714	18	Davenport - Rock Island - Moline	443	124	Bremerton	180	233
Baltimore	2,645	19	Manchester - Nashua	442	125	Wichita Falls	179	234
Tampa - St. Petersburg - Clearwater	2,635	20	Sarasota	441	126	Santa Fe	178	235
Riverside - San Bernardino	2,494	21	Aurora - Elgin	440	127	Bangor	177	236
Phoenix	2,481	22	San Jose	430	128	Beaver County, Pa.	177	236
Pittsburgh	2,428	23	Augusta	428	129	Charlottesville	177	236
Miami - Hialeah	2,367	24	Johnson City - Kingsport - Bristol	427	130	Souk Falls	177	236
Cleveland	2,167	25	Reading	426	131	Brazoria	174	240
Newark	2,156	26	Peoria	424	132	Lafayette - West Lafayette	173	241
Denver	2,110	27	Saginaw - Bay City - Midland	415	133	Parkburg - Marietta	172	242
Sacramento	1,999	28	Eugene - Springfield	414	134	Jarvisville - Beaufort	169	243
San Jose	1,952	28	Orange County, N.Y.	410	135	Lynchburg	169	243
Kansas City	1,890	30	Portland, Me.	408	136	Marshfield	168	245
Fort Lauderdale - Hollywood			Urbana - Rome	406	136	Richard - Kennewick - Pico	168	245
Pompano Beach	1,842	31	Lakeland - Winter Haven	406	138	Monroe	167	247
Cincinnati	1,789	32	Santa Cruz	389	139	Albany	165	248
Portland, Ore.	1,710	33	Yuba	385	140	Albany	165	248
Milwaukee	1,703	34	Peoria	382	141	Tulacoma	164	250
Columbus, Ohio	1,687	35	Modesto	377	142	Yuma - Yribadaba	163	251
Norfolk - Virginia Beach - Newport News	1,678	36	Joliet	376	143	Altoona	162	252
Indianapolis	1,651	37	Appleton - Oshkosh - Neenah	368	144	Jackson - Mich.	162	252
Bergen - Passaic	1,636	38	Rochester	363	145	Tenn. Haute	162	252
San Antonio	1,557	39	Ann Arbor	362	146	Anderson - S.C.	158	255
Hartford - New Britain - Middletown			Roswell - Longmont	361	147	Oakdale	158	255
Bristol	1,523	40	Beaumont - Port Arthur	358	148	Durham	157	257
Charlotte - Gastonia - Rock Hill	1,493	41	Salem - Ore.	356	149	Bloomington, Ind.	156	258
Oklahoma City	1,486	42	Poughkeepsie	349	150	Pueblo	156	258
Fort Worth - Arlington	1,477	43	New London - Norwich	348	151	State College	155	260
New Orleans	1,434	44	South Bend - Mishawaka	347	152	Manassas	153	261
Orlando	1,433	45	Flagstaff - Flag	338	153	Sharon	153	261
B. Fla.	1,417	46	Shreveport	337	154	Burlington, N.C.	148	263
Murkumburg - Ocean	1,354	47	Huntington - Ashland	336	155	Fayetteville - Springdale	148	263
Greensboro - Winston-Salem - High Point	1,254	48	Macon - Warner Robins	335	156	Steubenville - Winton	148	263
Providence - Pawtucket - Woonsocket	1,243	49	Enid	334	157	Florence, Ala.	147	266
Nashville	1,233	50	Rosnoke	334	157	Slovak City	146	267
Albany - Schenectady - Troy	1,210	51	Anchorage	333	159	Lake Charles	145	268
Richmond	1,209	52	Charleston - W. Va.	333	159	Williamsport	145	268
Rochester, N.Y.	1,205	53	Liberty	321	161	Kenosha	144	270
Madison - Somerset - Hunterdon	1,185	54	Springfield, Mo.	320	162	Kokomo	144	270
West Palm Beach - Boca Raton			Visalia - Tulare - Porterville	318	163	Anderson, Ind.	143	272
Daytona Beach	1,167	55	Reno	316	164	Las Cruces	142	273
Jacksonville, Fla.	1,154	56	Duluth	314	165	Decatur, Ill.	141	274
Bridgeport - Stamford - Norwalk - Danbury	1,122	58	Fort Pierce	313	166	Cumberland	140	275
Dayton - Springfield	1,122	58	Joliet - Morgan City	305	167	Hagerstown	140	275
Salt Lake City - Ogden	1,122	58	Savannah	304	168	La Crosse	140	275
Louisville	1,101	60	Long Beach	303	169	Bryan - College Station	138	278
Richmond - Petersburg	1,092	61	Birmingham	302	170	Muncie	136	279
Memphis	1,070	62	Lorain - Elyria	302	170	Columbia, Mo.	135	280
Austin	1,041	63	Huntsville	300	172	Weyland - Millville - Bridgeton	135	280
New Haven - Waterbury - Meriden	1,036	64	McAllen - Edinburg - Mission	300	172	Wausau	135	280
Raleigh - Durham	1,019	65	Boca	287	174	Rochester, Minn.	134	283
Scranton - Wilkes-Barre	995	66	Amario	286	175	Alexandria, La.	132	284
Tulsa	994	67	Kalamazoo	282	176	Texasana	132	284
Birmingham	967	68	Columbus, Ga.	281	177	Groveland	131	286
Syracuse	910	69	Lincoln	280	178	Albany, Ga.	130	287
Worcester - Fitchburg - Leominster	844	70	Fayetteville, N.C.	278	179	Rapid City	128	288
Allentown - Bethlehem - Easton	843	71	Harrisburg - Middletown	274	180	Florence, S.C.	127	289
Tucson	802	72	Springfield, Ill.	274	180	Midland, Tex.	127	289
Greenville - Spartanburg	792	73	Tallahassee	272	182	Dubuque	126	291
Akron	788	74	Gainesville	269	183	Lawton - Auburn	124	292
Las Vegas	788	74	Johnstown	264	184	Yuba City	123	293
Knoxville	784	76	Galveston - Texas City	248	185	Decatur, Ala.	119	294
Toledo	782	77	Asheville	247	186	Lawton	119	294
Omaha	774	78	Vancouver	245	187	Jacksonville, N.C.	118	296
Oxnard - Ventura	748	79	Pittsfield	244	188	San Angelo	116	296
Fresno	742	80	Fort Smith	243	189	Sherman - Denison	116	296
Grand Rapids	736	81	Killeen - Temple	241	190	Pascagoula	117	299
Atlantic City	726	82	Glens Falls	239	191	Garfield, Va.	116	300
Harrisburg - Lebanon - Carlisle	721	83	Spokane	239	191	Great Falls	115	301
Springfield, Mass.	720	84	Fort Collins - Loveland	238	193	Elmira	114	302
Gary - Hammond	706	85	Brownsville - Harlingen	236	194	Yuma	114	302
Albuquerque	680	86	Fort Walton Beach	235	195	Iowa City	113	304
Wichita	669	87	Naples	235	195	Shelbyville	110	306
Lake County, Ill.	657	88	Green Bay	233	197	Owensboro	109	306
New Bedford - Fall River - Attleboro	650	89	Walco	233	197	Gadsden	108	307
Little Rock - North Little Rock	629	90	Lafayette, La.	231	199	Anneton	107	308
Wilmington, Del.	616	91	Blacksburg - Gulfport	230	200	Kankakee	106	309
Tacoma	615	92	Champaign - Urbana - Rantoul	228	201	St. Joseph	106	309
Youngstown - Warren	591	93	Cedar Rapids	227	202	Laredo	104	311
Columbia, S.C.	586	94	Longview - Marshall	226	203	Bismarck	100	312
Bakersfield	582	95	Chicago	224	204	Cheyenne	94	313
Charleston, S.C.	572	96	Bradenton	222	205	Victoria	94	313
Jersey City	567	97	Lima	220	206	End	93	315
El Paso	554	98	Medford	219	207	Casper	92	316
Santa Barbara - Santa Maria - Lompoc	549	99	Wilmington, N.C.	217	208	Lawrence, Kans.	90	317
Chattanooga	547	100	Panama City	215	209	Jackson, Tenn.	89	318
Des Moines	523	101	Benton Harbor	214	210	Pine Bluff	88	319
Stockton	522	102	Racine	212	211	Grand Forks	82	320
Canon	517	103	Elkhart - Goshen	210	212			
Santa Rosa - Petaluma	509	104	Burlington, Vt.	207	213			
Mobile	506	105	Redding	206	214			
						Total Above Areas	236,831	
						Percent of U.S.	78,7257	
						United States Total	303,371	

1991 Fast Food Sales

Metro Area	Sales (\$000)	Rank	Metro Area	Sales (\$000)	Rank	Metro Area	Sales (\$000)	Rank
Los Angeles - Long Beach	2,923,305	1	El Paso	136,346	104	Duluth	47,725	214
Chicago	1,765,842	2	Youngstown - Warren	135,230	105	Longview - Marshall	47,699	215
New York	1,317,965	3	Lansing - East Lansing	130,258	106	Orange County, N.Y.	47,678	216
Detroit	1,272,441	4	Des Moines	129,984	107	Bloomington - Normal	46,753	217
Atlanta	1,206,300	5	Santa Barbara - Santa Maria - Lompoc	127,900	108	Clarksville - Hopkinsville	46,226	218
Washington	1,205,821	6	Daytona Beach	127,668	109	Terre Haute	46,384	219
Boston - Lawrence - Salem - Lowell	1,104,659	7	Jackson - Mopac	127,263	110	Bloomington, Ind.	46,161	220
Anaheim - Santa Ana	984,578	8	Pensacola	126,836	111	Poughkeepsie	46,114	221
Dallas	943,812	9	San Antonio	124,867	112	Provo - Orem	46,029	222
Houston	927,054	10	Anchorage	124,320	113	Yakima	45,361	223
Philadelphia	917,077	11	Montgomery	121,693	114	Frederick, Ala.	44,674	224
St. Louis	862,752	12	Colorado Springs	119,660	115	Lake Charles	44,129	225
Riverside - San Bernardino	856,202	13	Fort	118,283	116	Houma - Thibodaux	43,937	226
San Diego	850,084	14	Davenport - Rock Island - Moline	117,003	117	Chicago	43,716	227
Seattle	759,048	15	Fort Wayne	116,521	118	Anneston	43,353	228
Minneapolis - St. Paul	750,727	16	Santa Rosa - Petaluma	116,371	119	Jacksonville, N.C.	42,843	229
Oakland	714,497	17	Atlanta, Ga.	115,733	120	Joplin	42,621	230
Phoenix	697,311	18	Madison	115,399	121	Souix Falls	42,503	231
Baltimore	664,794	19	Metairie - Tatouville - Palm Bay	112,179	122	Birmingham	42,308	232
San Francisco	620,664	20	Lakeland - Winter Haven	111,914	123	Muskegon	42,189	233
Tampa - St. Petersburg - Clearwater	594,612	21	Shreveport	111,746	124	Charlottesville	41,834	234
Indianapolis	584,842	22	Ann Arbor	110,666	125	Olympia	41,767	235
Columbus, Ohio	575,366	23	Evansville	110,435	126	Butte	40,484	236
Kansas City	572,136	24	Corpus Christi	109,282	127	Muncie	40,226	237
San Jose	557,397	25	Beaumont - Port Arthur	108,351	128	Burlington, Vt.	40,201	238
Sacramento	556,000	26	Saginaw - Bay City - Midland	107,752	129	Braintree	40,176	239
Cincinnati	545,063	27	Huntsville	107,749	130	Lynchburg	40,063	240
Honolulu	538,941	28	Sarasota - Seaside - Monticello	104,867	131	Anderson, S.C.	39,912	241
Cleveland	531,156	29	Portland, Me.	103,829	132	Manchester	39,881	242
Miami - Hialeah	524,249	30	Macon - Warner Robins	103,097	133	Bellingham	39,777	243
San Antonio	493,721	31	Albany	102,964	134	Richmond	39,472	244
Denver	476,789	32	Manchester - Nashua	99,914	135	Richmond - Kennewick - Pasco	39,267	245
Raleigh - Durham	466,832	33	Charleston, W.Va.	99,674	136	Anderson, Ind.	39,195	246
Portland, Ore.	460,306	34	Portsmouth - Dover - Rochester	99,164	137	Battle Creek	39,049	247
Nassau - Suffolk	460,386	35	South Bend - Mishawaka	98,473	138	Billings	38,941	248
Norfolk - Virginia Beach	454,268	36	Huntington - Ashland	97,372	139	Bemerton	38,774	249
Pittsburgh	449,963	37	Savannah	96,426	140	Waterloo - Cedar Falls	38,208	250
Charlotte - Gastonia - Rock Hill	437,388	38	Elgin	92,963	141	Kokomo	38,198	251
Fort Worth - Arlington	427,760	39	Aurora - Elgin	92,528	142	Reading	38,179	252
Nashville	418,868	40	Modesto	92,120	143	Albany	37,448	253
Orlando	414,281	41	Fort Myers - Cape Coral	89,796	144	St. Cloud	37,375	254
New Orleans	413,583	42	Lancaster	87,604	145	Bangor	36,600	255
Milwaukee	407,969	43	Yonkers	86,191	146	Decatur, Ill.	36,405	256
Louisville	403,909	44	Jenney City	86,079	147	Johnstown	36,247	257
Jacksonville, Fla.	399,498	45	Lubbock	85,982	148	Eau Claire	36,201	258
Fort Lauderdale - Hollywood	372,514	46	Fayetteville, N.C.	83,418	149	Bryan - College Station	36,003	259
Dayton - Springfield	364,219	47	Columbus, Ga.	82,166	150	Columbia, Mo.	35,896	260
San Lake City - Ogden	346,213	48	Rockford	82,151	151	Nagasaki Falls	35,403	261
Newark	345,855	49	Lafayette, La.	81,622	152	Souix City	35,297	262
Oklahoma City	330,791	50	Springfield, Mo.	81,407	153	Yakima	35,064	263
Greensboro - Winston-Salem	318,461	51	Albany - Oswego	81,126	154	Fayetteville - Springdale	34,963	264
Birmingham	316,279	52	Appleton - Oshkosh - Neenah	80,525	155	Albany, Ga.	34,852	265
Austin	305,651	53	Santa Cruz	80,128	156	La Crosse	34,312	266
Hartford - New Britain - Middletown	287,977	54	Salem, Ore.	79,509	157	Burlington, N.C.	34,187	267
Bristol	275,301	55	Hamilton - Middletown	77,273	158	Iowa City	34,036	268
Memphis	273,979	56	Rockrose	77,551	159	Janesville - Beloit	33,622	269
Richmond - Petersburg	264,847	57	Amesbury	76,323	160	Alexandria, La.	33,619	270
Bergen - Passaic	257,615	58	Reading	76,084	161	Lawrence, Kans.	33,230	271
Tulsa	248,722	59	Ashville	76,045	162	Frederick, S.C.	32,900	272
Las Vegas	248,562	60	Joel	75,620	163	Jackson, Mich.	32,744	273
Greenville - Spartanburg	246,075	61	Boulder - Longmont	75,370	164	Pascagoula	32,314	274
Rochester, N.Y.	244,947	62	Blair - Gulfport	75,312	165	State College	32,021	275
West Palm Beach - Boca Raton	236,299	63	Carrollton - Texas City	75,291	166	Towson	31,794	276
Derry Beach	226,534	64	Hickory - Morganton	73,198	167	Oreana	31,728	277
Providence - Pawtucket - Woonsocket	220,576	65	Kalamazoo	72,415	168	Laredo	31,127	278
Fresno	220,576	66	Boise	71,081	169	Gadsden	30,591	279
Knoxville	218,132	67	Lincoln	70,216	170	Rochester, Minn.	29,952	280
Oxnard - Ventura	217,586	68	Wilmington, N.C.	67,968	171	Owensboro	29,834	281
Middlesex - Somerset - Hatterden	214,767	69	Tallahassee	67,956	172	Monroe	28,950	282
New Haven - Waterbury - Meriden	210,181	70	New London - Norwich	67,655	173	Meriden	28,503	283
Anaheim	202,255	71	Fort Smith	66,938	174	Staubsville - Weston	28,353	284
Toledo	192,165	72	Topoka	66,496	175	San Angelo	28,207	285
Albany - Schenectady - Troy	190,201	73	Bradenton	66,476	176	Dubuque	28,215	286
Worcester - Fitchburg - Leominster	189,663	74	Sarasota	66,283	177	Kenosha	27,978	287
Tucson	186,421	75	Trenton	65,852	178	Lewiston - Auburn	27,892	288
Bakersfield	186,143	76	Fort Pierce	65,482	179	Rapid City	27,712	289
Columbus, S.C.	182,034	77	Lorain - Elyria	63,736	180	Bismarck	27,568	290
Monmouth - Ocean	181,980	78	Champaign - Urbana - Rantoul	62,415	181	Altoona	27,488	291
Bridgeport - Stamford - Norwalk	181,916	79	McAllen - Edinburg - Mission	62,134	182	Las Cruces	27,014	292
Danbury	181,624	80	Cedar Rapids	61,880	183	Midland, Tex.	26,949	293
Weehawken	178,822	81	Naples	59,780	184	Beaver County, Pa.	26,416	294
Albuquerque	178,613	82	Enid	59,422	185	Wausau	25,875	295
Grand Rapids	175,956	83	Corpus Christi	59,386	186	Lawton	25,871	296
New Bedford - Fall River - Attleboro	175,501	84	Waco	59,367	187	Hagerstown	25,581	297
Gary - Hammond	174,350	85	Panama City	56,893	188	St. Joseph	25,193	298
Little Rock - North Little Rock	174,258	86	Dorham	56,522	189	Cumberland	24,924	299
Tacoma	172,859	87	Fargo - Moorhead	56,406	190	Jamestown - Dunkirk	24,340	300
Springfield, Mass.	170,272	88	Killeen - Temple	55,919	191	Sherman - Denison	23,696	301
Scranton - Wilkes-Barre	160,484	89	Vancouver	55,786	192	Santa Fe	23,568	302
Lexington-Fayette	160,022	90	Brownsville - Harlingen	55,005	193	Cheyenne	23,020	303
Lake County, Ill.	153,107	91	Tyler	54,670	194	Grand Forks	23,273	304
Mobile	153,003	92	Monroe	54,352	195	Greeley	23,017	305
Chattanooga	151,473	93	Wheeling	54,282	196	Danville, Va.	22,691	306
Harrisburg - Lebanon - Carlisle	150,487	94	Green Bay	54,210	197	Great Falls	22,357	307
Wilmington, Del.	149,739	95	Elkhart - Goshen	53,264	198	Jackson, Tenn.	22,315	308
Vallejo - Fairfield - Napa	146,155	96	Tuscaloosa	52,791	199	Pine Bluff	22,068	309
Johnson City - Kingsport - Bristol	146,099	97	Fort Collins - Loveland	51,813	201	Shelbyville	22,064	310
Syracuse	145,445	98	Lafayette - West Lafayette	51,794	202	Yuma	20,967	311
Baton Rouge	144,907	99	Santa Fe	51,552	203	Yuba City	20,828	312
Augusta	144,765	100	Fort Walton Beach	51,538	204	Victoria	20,688	313
Spokane	144,125	101	Berlin Harbor	51,018	205	Wilkesport	20,640	314
Charleston, S.C.	142,277	102	Utica - Rome	51,009	206	Sharon	20,587	315
Albany - Bethel - Easton	140,888	103	Parkersburg - Marietta	50,917	207	Kankakee	19,510	316
			Ocala	50,887	208	Vineyard - Milville - Bridgeton	17,577	317
			Springfield, Ill.	50,858	209	Casper	16,884	318
			Lima	50,424	210	Enid	16,146	319
			Richfield Falls	50,239	211	Elmira	14,575	320
			Medford	49,183	212	Total Above Areas	58,517,826	
			Visalia - Tulare - Porterville	48,577	213	Percent of U.S.	81.992	
						United States Total	71,385,626	

1991 Restaurant Sales

Metro Area	Sales (\$000)	Rank	Metro Area	Sales (\$000)	Rank	Metro Area	Sales (\$000)	Rank
Los Angeles - Long Beach	4,337,682	1	Bakersfield	157,837	105	Hickory - Morganton	52,064	215
New York	3,349,474	2	Anchorage	155,057	106	Johnstown	51,430	216
Chicago	2,571,448	3	Gary - Hammond	149,917	107	Waco	50,915	217
Boston - Lawrence - Salem - Lowell	2,440,673	4	Saginaw - Bay City - Midland	148,235	108	Racine	50,802	218
Brooklyn	1,786,661	5	Wichita	147,868	109	Muskegon	50,157	219
San Francisco	1,509,990	6	Melbourne - Titusville - Palm Bay	146,308	110	La Crosse	49,711	220
Philadelphia	1,475,097	7	Lansing - East Lansing	145,146	111	Janesville - Beloit	48,713	221
Detroit	1,445,160	8	Des Moines	144,514	112	Wilmington, N.C.	48,347	222
Anaheim - Santa Ana	1,369,936	9	Fort Wayne	141,817	113	Kalamazoo - Temple	47,953	223
Seattle	1,251,980	10	Columbia, S.C.	139,926	114	Topeka	47,766	224
San Diego	1,182,102	11	Ann Arbor	131,570	115	Brownsville - Harlingen	47,172	225
Minneapolis - St. Paul	1,071,991	12	Youngstown - Warren	129,360	116	Tyler	46,984	226
Atlanta	1,069,675	13	Modesto	129,016	117	Glen Falls	46,515	227
Norfolk - Suffolk	1,005,010	14	Little Rock - North Little Rock	127,805	118	Lima	46,489	228
Houston	997,230	15	Reading	126,052	119	Batte Creek	46,421	229
Dallas	983,554	16	Colorado Springs	125,451	120	State College	45,486	230
Oakland	959,376	17	Canton	124,632	121	Auburn	44,686	231
Phoenix	833,294	18	Lexington-Fayette	124,361	122	Rochester, Minn.	43,611	232
Riverside - San Bernardino	832,396	19	Jersey City	124,326	123	Wichita Falls	43,064	233
Miami - Hialeah	832,079	20	Eugene - Springfield	123,799	124	Fort Smith	42,878	234
Tampa - St. Petersburg - Clearwater	830,757	21	York	119,500	125	Decatur, Ill.	42,698	235
Fort Lauderdale - Hollywood - Pompano Beach	765,779	22	Davenport - Rock Island - Moline	116,280	126	Charlottesville	42,530	236
San Jose	763,048	23	El Paso	115,053	127	Monroe	42,415	237
Denver	724,200	24	Fort Pierce	112,906	128	Pueblo	41,798	238
Honolulu	723,748	25	Fort Collins	112,223	129	Longview - Marshall	40,899	239
Orlando	712,911	26	Trenton	111,675	130	Lynchburg	40,728	240
St. Louis	697,099	27	Boulder - Longmont	110,528	131	Waterloo - Cedar Falls	40,708	241
Baltimore	672,256	28	New London - Norwich	109,578	132	Merced	40,546	242
Portland, Ore.	659,310	29	Aurora - Elgin	108,525	133	Kenosha	40,535	243
Sacramento	646,916	30	Mobile	106,736	134	Elkhart - Goshen	40,082	244
Pittsburgh	627,389	31	Salem - Ore.	104,352	135	Alhambra	39,954	245
Cincinnati	600,623	32	Baton Rouge	104,347	136	Altoona	39,049	246
Cleveland	590,122	33	Appleton - Oshkosh - Neenah	101,434	137	Lafayette - West Lafayette	38,976	247
West Palm Beach - Boca Raton	555,707	34	Lakeland - Winter Haven	101,006	138	Jackson, Mich.	38,928	248
Newark	555,464	35	Tallahassee	100,668	139	Blount - Gulfport	38,583	249
Milwaukee	547,451	36	Utica - Rome	99,605	140	Souix City	37,628	250
Hartford - New Britain - Middletown - Bristol	505,317	37	Chattanooga	98,905	141	Beaver County, Pa.	37,525	251
Kansas City	489,496	38	Bradenton	97,323	142	Waukegan	37,455	252
Bergen - Passaic	484,844	39	Rockford	96,356	143	Rapid City	36,936	253
Columbus, Ohio	479,574	40	Augusta	95,436	144	Manfield	36,770	254
New Orleans	443,415	41	Burlington, Vt.	95,350	145	Iowa City	36,261	255
Norfolk - Virginia Beach - Newport News	424,371	42	Orange County, N.Y.	94,098	146	Joplin	36,188	256
San Antonio	411,080	43	Pittsfield	94,031	147	Clarksville - Hopkinsville	36,057	257
Minneapolis - Ocean	408,095	44	Jackson, Miss.	93,216	148	Phono - Green	35,737	258
Raleigh - Durham	407,240	45	Shreveport	92,791	149	Terre Haute	34,903	259
Bridgeport - Stamford - Norwalk - Danbury	399,512	46	Poughkeepsie	91,010	150	Bloomington, Ind.	34,735	260
Providence - Pawtucket - Woonsocket	388,029	47	Joliet	88,849	152	Brazoria	34,454	261
Nashville	387,528	48	Peoria	88,692	153	Lake Charles	34,436	262
Indianapolis	382,709	49	Gainesville	88,349	154	Houma - Thibodaux	34,285	263
New Haven - Waterbury - Meriden	376,428	50	Reno	88,263	155	Greely	33,751	264
Middlesex - Somerset - Haverhill	376,342	51	Palmdale	87,965	156	Jamestown - Dunkirk	32,832	265
Fort Worth - Arlington	358,520	52	Parana City	86,091	157	Anderson, S.C.	32,496	266
Jacksonville, Fla.	334,451	53	Vancouver	84,580	158	Azlene	32,114	267
Albany - Schenectady - Troy	323,394	54	Erie	84,413	159	Shelbyong	31,967	268
Buffalo	319,023	55	Ena	84,130	160	Cheyenne	31,262	269
Worcester - Fitchburg - Leominster	316,625	56	Binghamton	83,500	161	Bryan - College Station	30,875	270
Charlotte - Gastonia - Rock Hill	313,646	57	Evansville	83,006	162	Great Falls	30,732	271
Rochester, N.Y.	311,472	58	Shreveport	83,006	162	Columbia, Mo.	30,479	272
Springfield, Mass.	302,943	59	Rockrose	81,373	163	Jacksonville, N.C.	30,476	273
Austin	300,640	60	Green Bay	78,846	164	Muncie	30,272	274
Louisville	273,213	61	Green Bay	78,538	165	Vineand - Milville - Bridgeton	30,247	275
Oklahoma City	272,037	62	Maumont - Port Arthur	77,776	166	Dubuque	30,062	276
Dayton - Springfield	267,284	63	Macon - Warner Robins	77,398	167	Anderson, Ind.	29,494	277
Orland - Ventura	267,244	64	Bose	76,948	168	Wheeling	29,391	278
Las Vegas	263,190	65	Fort Walton Beach	76,626	169	Williamsport	29,319	279
Salt Lake City - Ogden	262,456	66	Fort Collins - Loveland	75,980	170	Sharon	29,243	280
Greensboro - Winston-Salem - High Point	262,033	67	Quake	75,632	171	Yuba City	29,166	281
Tacoma	255,544	68	Corpus Christi	74,920	172	Yuma	28,896	282
Grand Rapids	248,090	69	South Bend - Mishawaka	74,102	173	Emira	28,765	283
Richmond - Petersburg	244,558	70	Libbcock	73,736	174	Kokomo	28,742	284
Santa Barbara - Santa Maria - Lompoc	243,318	71	Champaign - Urbana - Rantoul	73,204	175	Lakewood	28,663	285
New Bedford - Fall River - Attleboro	238,218	72	Savannah	72,391	176	Darien	27,976	286
Atlantic City	231,677	73	Hampton - Middletown	71,759	177	Hagerstown	27,435	287
Akron	231,662	74	Lincoln	71,650	178	Odesia	27,209	288
Knoxville	228,452	75	Nagars Falls	69,867	179	Texarkana	27,182	289
Fresno	221,563	76	Duath	69,397	180	Parkersburg - Mareetta	27,164	290
Scranton - Wilkes-Barre	220,644	77	Springfield, Mo.	69,116	181	Bernmark	27,133	291
Toledo	219,074	78	Yakma	68,655	182	Florence, S.C.	26,786	292
Memphis	214,721	79	Visalia - Tulare - Porterville	67,257	183	Cumberland	26,737	293
Lake County, Ill.	213,978	80	Johnson City - Kingsport - Bristol	66,036	185	Lanado	26,694	294
Portsmouth - Dover - Rochester	213,671	81	Cedar Rapids	65,538	186	Steubenville - Weerton	26,560	295
Omaha	213,551	82	Madison	65,451	187	Alexandria, La.	26,234	296
Syracuse	212,695	83	Amariio	65,451	187	Albany, Ga.	26,194	297
Tucson	209,155	84	Galveston - Texas City	63,694	189	Tuscaloosa	26,129	298
Salinas - Seaside - Monterey	206,414	85	Lafayette, La.	63,217	190	Burlington, N.C.	24,318	299
Albuquerque	205,245	86	Olympa	61,831	191	San Angelo	24,274	300
Fort Myers - Cape Coral	203,727	87	Columbus, Ga.	61,226	192	Lawrence, Kans.	23,869	301
Birmingham	193,720	88	Chico	60,653	193	Midland, Tex.	23,109	302
Arlington - Bethlehem - Easton	191,583	89	Benton Harbor	60,232	194	Danville, Va.	23,066	303
Altoona	187,343	90	Montgomery	60,206	195	Grand Forks	22,892	304
Sarasota	184,304	91	Bellingham	59,647	196	Casper	22,885	305
Manchester - Nashua	179,047	92	Springfield, Ill.	59,436	197	Fayetteville - Springdale	22,389	307
Hammilton - Lebanon - Carlisle	178,984	93	Richland - Kennecock - Pasco	58,339	198	Florence, Ala.	22,110	308
Wilmington, Del.	176,943	94	Fayetteville, N.C.	58,763	199	Anniston	21,459	309
Santa Rosa - Petaluma	176,280	95	Bremerton	58,686	200	St. Joseph	21,390	310
Lancaster	175,597	96	Bangor	58,629	201	Sherman - Denison	20,315	311
Greenville - Spartanburg	169,100	97	Sioux Falls	56,649	202	Lawton	18,566	312
Madison	168,598	98	Fargo - Moorhead	55,036	203	Owensboro	18,555	313
Charleston, S.C.	167,251	99	Bloomington - Normal	54,835	204	Victoria	17,742	314
Portland, Me.	166,327	100	Santa Fe	54,696	205	Oackson, Tenn.	17,156	315
Spokane	163,421	101	St. Cloud	54,348	206	Pascagoula	16,555	316
Vallejo - Fairfield - Napa	162,723	102	Asheville	54,091	207	Gadsden	15,141	317
Daytona Beach	160,864	103	Charleston, W.Va.	53,597	208	Pine Bluff	14,184	318
Stockton	158,538	104	Billings	53,523	209	Decatur, Ark.	13,759	319
			Reading	53,472	210	Enid	11,585	320
			Huntsville	53,333	211			
			McAllen - Edinburg - Mission	53,289	212			
			Huntington - Ashland	52,470	213			
			Eau Claire	52,447	214			
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1991 Restaurant Activity Index

Metro Area	RAI	Rank	Metro Area	RAI	Rank	Metro Area	RAI	Rank
Honolulu	215	1	Green Bay	109	106	Lawton	87	214
Raleigh - Durham	184	2	Kansas City	109	105	Modesto	87	214
San Francisco	180	3	Tallahassee	109	105	Pasadena	87	214
Arlington	179	4	Bakersfield	108	110	Pittsburgh	86	219
Kalamazoo	172	5	Boca - Gulfport	108	110	Wilmington, Del.	85	221
Champaign - Urbana - Rantoul	170	6	Fort Myers - Cape Coral	108	110	End	85	221
Wichita Falls	164	7	Rockford	108	110	Fort Smith	85	221
Santa Fe	160	8	Charlotte - Gastonia - Rock Hill	107	114	Harrisburg - Lebanon - Carlisle	85	221
Sarasota - Seaside - Montevideo	156	9	Joliet	107	114	Kankakee	85	221
Anchorage	154	10	Kenosha	107	114	Lynchburg	85	221
Anaheim - Santa Ana	154	11	Stamford	107	114	Manassas	85	221
San Jose	151	12	Tulsa	107	114	Shelbyville	85	221
Indianapolis	147	13	Waukegan	107	114	Sioux City	85	221
Bloomington - Normal	143	14	Columbus, Ga.	106	120	Beaumont - Port Arthur	84	229
Fort Walton Beach	143	15	Dallas	106	120	Birmingham	84	229
La Crosse	143	15	Eugene - Springfield	106	120	Bryan - College Station	84	229
Orlando	141	18	Santa Cruz	106	120	Caddo	84	229
Nashville	140	19	Jackson, Mich.	105	124	Houston	84	229
Columbus, Ohio	139	20	Maitland - Titusville - Palm Bay	105	124	Kalamazoo - Kalamazoo - Pigeon	84	229
Lansing - East Lansing	138	21	San Antonio	105	124	Richard - Kennewick - Pasco	84	229
Muskegon	137	22	Springfield, Ill.	105	124	Salt Lake City - Ogden	84	229
Atlanta	135	23	Appleton - Oshkosh - Neenah	104	128	Vaco	84	229
Boston - Lawrence - Salem - Lowell	135	23	Birmingham	104	128	El Paso	83	238
Brookline	134	25	New Bedford - Fall River - Attleboro	104	128	Owensboro	83	238
Lexington-Fayette	134	25	Riverside - San Bernardino	104	128	Pawtucket - Pawtucket	83	238
Murice	134	25	Vancouver	104	128	Yakima	83	238
Abilene	133	27	Denver	103	134	Charlottesville	82	242
Cheyenne	133	27	New Haven - Waterbury - Meriden	103	134	Emery	82	242
Los Angeles - Long Beach	133	27	Norfolk - Virginia Beach - Newport News	103	134	Fort Worth - Arlington	82	242
Portland, Ore.	133	27	Omaha	103	134	Lafayette, La.	82	242
Wilmington, N.C.	133	27	Salem, Ore.	103	134	Olympia	82	242
Albuquerque	132	32	Sioux Falls	103	134	Albany, Ga.	81	247
Bloomington, Ind.	132	32	Stockton	103	134	Bergen - Passaic	81	247
San Diego	132	32	Bradenton	102	141	Buffalo	81	247
Columbia, S.C.	131	35	Davenport - Rock Island - Moline	102	141	End	81	247
State College	130	36	Dallas	102	141	Lafayette	81	247
Benton Harbor	129	37	Fargo - Moorhead	102	141	Pueblo	81	247
Chicago	129	37	Memphis	102	141	Reno	81	247
Lafayette - West Lafayette	129	37	Pensacola	102	141	Utica - Rome	81	247
Terre Haute	129	37	Tuscaloosa	102	141	Binghamton	80	255
Madison	128	41	Cleveland	101	148	Janesville - Beloit	80	255
Grand Rapids	127	42	Great Falls	101	148	Burlington, N.C.	79	257
Seattle	126	43	Spokane	101	148	Frederick, Md.	79	257
Decatur, Ill.	125	44	Youngstown - Warren	101	148	Wheeling	79	257
Detroit	125	44	Akron	100	152	Billings	78	260
Panama City	125	44	Augusta	100	152	Bremerton	78	260
Burlington, Vt.	124	47	Baltimore	100	152	Lewiston - Auburn	78	260
Saginaw - Bay City - Midland	124	47	Elkhart - Goshen	100	152	Spartanburg - Wilkes-Barre	78	260
Clarksville - Hopkinsville	123	49	Amarillo	99	156	Syracuse	78	260
Jacksonville, N.C.	123	49	Boulder - Longmont	99	156	Sanger	77	265
Large County, Ill.	123	49	Chattanooga	99	156	Corpus Christi	77	265
Montgomery	123	49	Daytona Beach	99	156	Genoa Falls	77	265
Santa Barbara - Santa Maria - Lompoc	123	49	Eau Claire	99	156	Lakeland - Winter Haven	77	265
Washington	123	49	Fort Collins - Loveland	99	156	Longview - Marshall	77	265
Hartford - New Britain - Middletown - Bristol	122	55	Manchester - Nashua	99	156	Phila. Bluff	77	265
Fort Wayne	121	56	Nashua	99	156	Renton	77	265
Lawrence, Kans.	121	56	Peoria	99	156	Duluth	76	272
New York	121	56	Tampa - St. Petersburg - Clearwater	99	156	Jackson, Tenn.	76	272
Athens	120	59	Decatur, Ala.	98	160	Philadelphia	76	272
Fayetteville, N.C.	120	59	Gary - Hammond	98	160	York	76	272
Fresno	120	59	Lima	98	160	Albany - Schenectady - Troy	75	276
Knoxville	120	59	Bismarck	97	169	Reading	75	276
Miami - Hialeah	120	59	Dubuque	97	169	Galveston - Texas City	74	278
West Palm Beach - Boca Raton	120	59	Little Rock - North Little Rock	97	169	Creeley	74	278
Derry Beach	120	59	St. Joseph	97	169	Middlesex - Somerset - Hunterdon	74	278
Cincinnati	119	65	Charleston, S.C.	96	173	Newark	74	278
Jacksonville, Fla.	119	65	Gainesville	96	173	Nebraska Falls	74	278
Springfield, Mass.	118	68	Johannesburg - Kingsport - Bristol	96	173	Albany - Bethlehem - Easton	73	283
Kokomo	118	68	Portsmouth - Dover - Rochester	96	173	Rochester, N.Y.	73	283
Milwaukee	118	68	Rochester, Minn.	96	173	Sharon	73	283
Minneapolis - St. Paul	118	68	Tyler	96	173	Casper	72	286
Oakland	118	68	Bridgeport - Stamford - Norwalk - Danbury	95	179	Yuma	72	286
Pittsfield	118	68	Chico	95	179	Alexandria, La.	71	288
Worcester - Fitchburg - Leominster	118	68	Portland	95	179	Anderson, S.C.	71	288
Tacoma	117	74	Rapid City	95	179	Brownsville - Harlingen	71	288
Topeka	117	74	Texasark	95	179	Flomona, S.C.	71	288
Lubbock	116	76	Anderson, Ind.	93	184	Norfolk - Suffolk	71	288
Springfield, Mo.	116	76	Austin	93	184	Hagerstown	70	293
Jackson, Miss.	115	78	Grand Forks	93	184	Jersey City	69	294
Louisville	115	78	Hickory - Morganton	93	184	Staubenville - Warton	69	294
Sacramento	115	78	Irving City	93	184	Fayetteville - Springdale	68	296
Atlantic City	114	81	Las Vegas	93	184	Marysville - Ocean	68	296
Columbia, Mo.	114	81	Mobile	93	184	Merced	67	298
Evansville	114	81	Ocala	93	184	Victoria	67	298
Macon - Warner Robins	114	81	San Angelo	93	184	Danville, Va.	66	300
Onondaga - Ventura	114	81	Santa Rosa - Petaluma	93	184	Odessa	66	300
Portland, Me.	114	81	Shreveport	93	184	Sherman - Denison	65	302
Colorado Springs	113	87	Waterloo - Cedar Falls	93	184	Altoona	64	303
New London - Norwich	113	87	Clinton	92	186	Proctor - Green	64	303
Providence - Pawtucket - Woonsocket	113	87	Greenville - Spartanburg	92	186	Orange County, N.Y.	63	305
Dayton - Springfield	112	90	Joplin	92	186	Poughkeepsie	63	305
Fort Lauderdale - Hollywood	112	90	Las Cruces	92	186	Johnstown	62	307
Pompano Beach - Ft. Lauderdale	112	90	New Orleans	92	186	Beaver County, Pa.	61	308
Greensboro - Winston-Salem - High Point	112	90	Richmond - Petersburg	92	186	Laredo	60	309
Medford	112	90	St. Cloud	92	186	Baton Rouge	59	310
St. Louis	112	90	Tulsa	92	186	Savannah	59	310
Sarasota	112	90	Cumberland	91	204	Lake Charles	59	310
Butte Creek	111	96	Huntington - Ashland	90	205	Williamsport	59	310
Cedar Rapids	111	96	Phoenix	90	205	Yuba City	59	310
Huntsville	111	96	Harrison - Middletown	89	207	McAllen - Edinburg - Mission	57	315
Manchester	111	96	Racine	89	207	Visalia - Tulare - Porterville	57	315
Oklahoma City	111	96	Reading	89	207	Houma - Thibodaux	56	317
Rosemead	111	96	Tucson	89	207	Jamestown - Dunkirk	56	317
Wichita	111	96	Charleston, W.Va.	88	211	Midland - Tex.	55	319
South Bend - Mishawaka	110	103	Des Moines	88	211	Vineyard - Milville - Bridgeton	48	320
Vallejo - Fairfield - Napa	110	103	Laramie - Elyria	88	211			
Asheville	109	105	Boise	87	214			
Aurora - Elgin	109	105	Fort Pierce	87	214			

1991 Restaurant Growth Index

Metro Area	RGI	Rank	Metro Area	RGI	Rank	Metro Area	RGI	Rank
Las Vegas	451	1	Memphis	101	102	Bradenton	87	216
Atlanta City	315	2	Aurora - Elgin	100	109	Decatur, Ala.	87	216
Palo Alto	296	3	Bridgeport - Stamford - Norwalk - Danbury	100	109	Elkhart - Goshen	87	216
Orlando	160	4	Champaign - Urbana - Rantoul	100	109	Hickory - Morganton	87	216
Honolulu	156	5	Cleveland	100	109	Laredo	87	216
Washington	137	6	Decatur, Ill.	100	109	Monmouth - Ocean	87	216
Minneapolis - St. Paul	134	7	Fort Wayne	100	109	Reno	87	216
Houston	130	8	Lakeland - Winter Haven	100	109	South Bend - Mishawaka	87	216
Madison - Somerset - Hurdston	130	8	Brighton	99	116	Toledo	87	216
Ann Arbor	128	10	Charleston, S.C.	99	116	Daytona Beach	86	225
Rochester, Minn.	127	11	Dayton - Springfield	99	116	Lorain - Elyria	86	225
Dallas	126	12	Little Rock - North Little Rock	99	116	Monroe	86	225
Brazoria	125	13	New Haven - Waterbury - Meriden	99	116	Owensboro	86	225
Wilmington, Del.	124	14	Roughneck	99	116	Williamsport	86	225
San Jose	122	15	El Paso	98	122	Athens	85	230
Anchorage	121	16	Fargo - Moorhead	98	122	Batte Creek	85	230
Grand Rapids	121	16	Gainesville	98	122	Evansville	85	230
Newark	119	18	La Crosse	98	122	Jacksonville, N.C.	85	230
Tallahassee	119	18	Pensacola	98	122	New Bedford - Fall River - Attleboro	85	230
Baton Rouge	118	20	Peoria	98	122	Scranton - Wilkes-Barre	85	230
Chicago	117	21	San Francisco	98	122	Eau Claire	84	237
Lansaster	117	21	Tacoma	98	122	Florence, Ala.	84	237
Nashville	117	21	Vancouver	98	122	Waco	84	237
Philadelphia	117	21	Lafayette, La.	97	131	Yuba City	84	237
Iowa City	116	25	Macin - Warner Robins	97	131	Casper	83	241
Kansas City	116	25	New London - Norwich	97	131	Muskegon	83	241
Phoenix	116	25	Pasadena	97	131	Scranton	83	241
Provo - Orem	116	25	Reading	96	136	Terre Haute	83	241
Roseburg - Durham	116	25	Albany, Ga.	96	136	Vicksburg - Porterville	83	241
Fort Worth - Arlington	115	30	Boston	96	136	Waterloo - Cedar Falls	83	241
Green Bay	115	30	Columbia, S.C.	96	136	Charleston, W.Va.	82	247
Madison	115	30	Merced	96	136	Chattanooga	82	247
Trenton	115	30	Sacramento	96	136	Fayetteville - Springfield	82	247
Baltimore	114	34	Tampa - St. Petersburg - Clearwater	96	136	Fort Walton Beach	82	247
Boston - Lawrence - Salem - Lowell	114	34	Bakersfield	95	142	Orange County, N.Y.	82	247
Brooklyn	114	34	Carroll, Va.	95	142	Burlington, N.C.	81	252
Huntsville	114	34	Knoxville	95	142	Elmira	81	252
Lake Charles	114	34	Mobile	95	142	St. Joseph	81	252
Manchester - Nashua	114	34	Portsmouth - Dover - Rochester	95	142	Bellingham	80	255
Harrisburg - Lebanon - Carlisle	113	39	Rockford	95	142	Lewiston	80	255
Lansing - East Lansing	113	39	St. Cloud	95	142	Manchester	80	255
Naples	112	41	Springfield, Mass.	95	142	Midland, Tex.	80	255
Richland - Kennewick - Pasco	112	41	Waukegan	94	151	Tuba	80	255
San Diego	112	41	Akron	94	151	Blair - Gulfport	79	260
Milwaukee	111	44	Albuquerque	94	151	Buffalo	79	260
Oxnard - Ventura	111	44	Asheville - Bethlehem - Easton	94	151	Dubuque	79	260
Sheboygan	111	44	Cheyenne	94	151	Lubbock	79	260
Spokane Falls	111	44	Flint	94	151	Kalamazoo	79	260
Anaheim - Santa Ana	110	48	Greenville - Spartanburg	94	151	Wheeling	79	260
Hartford - New Britain - Middletown - Bristol	110	48	Jackson, Tenn.	94	151	Altoona	78	266
Los Angeles - Long Beach	110	48	Modesto	94	151	Canton	78	266
Riverside - San Bernardino	110	48	San Antonio	94	151	Corpus Christi	78	266
Seattle	110	48	Santa Rosa - Petaluma	94	151	Durham	78	266
Bismarck	109	53	Tucson	94	151	Eugene - Springfield	78	266
Columbus, Ohio	109	53	Alexandria, La.	93	162	Great Falls	78	266
Grand Forks	109	53	Beaver County, Pa.	93	162	Huntington - Ashland	78	266
Joliet	109	53	Bloomington - Normal	93	162	Lubbock	78	266
New Orleans	109	53	Colorado Springs	93	162	Pittsford	78	266
Salt Lake City - Ogden	109	53	Fort Lauderdale - Hollywood	93	162	State College	78	266
Denver	108	59	Pompano Beach	93	162	Youngstown - Warren	78	266
Jersey City	108	59	Greely	93	162	Benton Harbor	77	277
Lake County, Ill.	108	59	Greensboro - Winston-Salem - High Point	93	162	Clarksville - Hopkinsville	77	277
New York	108	59	Hagerstown	93	162	Columbus, Ga.	77	277
Valley - Fairfield - Napa	108	59	Jackson, Mich.	93	162	Fort Pierce	77	277
Bergen - Passaic	107	64	Racine	93	162	Kokomo	77	277
Indianapolis	107	64	Santa Fe	93	162	Ocala	77	277
Lexington - Fayetteville	107	64	Albany - Schenectady - Troy	92	173	Texarkana	76	284
York	107	64	Columbia, Mo.	92	173	Las Cruces	76	284
Atlanta	106	68	Houma - Thibodaux	92	173	Providence - Pawtucket - Woonsocket	76	284
Bremerton	106	68	Munich	92	173	Utica - Rome	76	284
Cincinnati	106	68	Nassau - Suffolk	92	173	Yuma	76	284
Des Moines	106	68	Pittsburgh	92	173	Billings	75	288
Hamilton - Middletown	106	68	Portland, Me.	92	173	Fort Smith	75	288
Miami - Hialeah	106	68	Savannah	92	173	McAllen - Edinburg - Mission	75	288
Omaha	106	68	Springfield, Mo.	92	173	Pueblo	75	288
Richmond - Petersburg	106	68	Topeka	91	183	Amarillo	74	292
Rochester, N.Y.	106	68	Bangor	91	183	Bloomington, Ind.	74	292
St. Louis	106	68	Fayetteville, N.C.	91	183	Redding	74	292
Anneiston	105	78	Fort Collins - Loveland	91	183	Sarasota	73	296
Appleton - Oshkosh - Neenah	105	78	Gary - Hammond	91	183	Joplin	73	296
Austin	105	78	Lafayette - West Lafayette	91	183	Lima	73	296
Burlington, Vt.	105	78	Spokane	91	183	Niagara Falls	73	296
Charlotte - Gastonia - Rock Hill	105	78	Anderson, S.C.	90	189	Salem, Ore.	73	296
Detroit	105	78	Dothan	90	189	Santa Cruz	73	296
Jacksonville, Fla.	105	78	Erie	90	189	Wichita Falls	73	296
Lincoln	105	78	Lynchburg	90	189	Brownsville - Harlingen	72	302
Louisville	105	78	Pine Bluff	90	189	Panama City	72	302
Augusta	104	87	Rapid City	90	189	Bryan - College Station	71	304
Beaumont - Port Arthur	104	87	Springfield, Ill.	90	189	Johnstown	70	305
Johnson City - Kingsport - Bristol	104	87	Wichita	90	189	Oklahoma City	70	305
Kalamazoo	103	91	Asheville	89	197	San Angelo	70	305
Birmingham	103	91	Davenport - Rock Island - Moline	89	197	Chico	69	308
Cleveland	103	91	Fresno	89	197	Jamestown - Dunkirk	69	308
Montgomery	102	93	Janesville - Beloit	89	197	Sherman - Denison	69	308
Norfolk - Virginia Beach - Newport News	102	93	Kaukaee	89	197	Victoria	69	308
Portland, Ore.	102	93	Lawton - Auburn	89	197	Wilmington, N.C.	69	308
Saginaw - Bay City - Midland	102	93	Metairie - Metairie - Palm Bay	89	197	Sharon	68	313
Sarasota - Seaside - Monterey	102	93	Yuma	89	197	Cumberland	66	314
Shreveport	102	93	Anderson, Ind.	88	205	Gens Falls	66	314
Vineland - Milwau - Bridgeton	102	93	Boulder - Longmont	88	205	Medford	65	316
West Palm Beach - Boca Raton	102	93	Fort Myers - Cape Coral	88	205	Albany	64	317
Delray Beach	102	93	Kenosha	88	205	Longview - Marshall	64	317
Worcester - Fitchburg - Leominster	102	93	Clyde	88	205	Oakdale	63	319
Cedar Rapids	101	102	Parkersburg - Marietta	88	205	End	51	320
Charlottesville	101	102	Santa Barbara - Santa Maria - Lompoc	88	205			
Florence, S.C.	101	102	Stauberville - Werton	88	205			
Galveston - Texas City	101	102	Stockton	88	205			
Jackson, Miss.	101	102	Syracuse	88	205			
Lawrence, Kans.	101	102	Tucson	88	205			
						Total Above Areas	108	
						United States Total	100	

1991 Population Per Unit

Metro Area	Pop. Per Unit	Rank	Metro Area	Pop. Per Unit	Rank	Metro Area	Pop. Per Unit	Rank
Provo - Orem	1,386	1	Wheeling	858	108	Monmouth - Ocean	778	218
McAllen - Edinburg - Mission	1,352	2	Wausau	856	111	Gainesville	777	219
Laredo	1,339	3	Decatur, Ala.	854	112	Union	777	219
Jacksonville, N.C.	1,301	4	Parkensburg - Marietta	854	112	Orange County, N.Y.	776	221
Merced	1,220	5	Blaine - Gulfport	853	114	Springfield, Mo.	776	221
Lake Charles	1,173	6	Lawston - Auburn	853	114	Daytona Beach	775	223
Brownsville - Harlingen	1,132	7	Norfolk - Virginia Beach - Newport News	852	116	Utica - Rome	775	223
Riverside - San Bernardino	1,130	8	Tucson	851	117	Indianapolis	771	225
Houma - Thibodaux	1,121	9	Albany, Ga.	850	118	Trenton	769	226
Brazoria	1,117	10	Los Angeles - Long Beach	850	119	Eau Claire	768	227
El Paso	1,114	11	Worcester - Fitchburg - Leominster	850	120	Corpus Christi	767	228
Bremerton	1,098	12	Dayton - Springfield	850	121	Des Moines	767	228
Anniston	1,091	13	Macon - Warner Robins	850	121	Fort Myers - Cape Coral	766	230
Killeen - Temple	1,080	14	Minneapolis	850	123	Greensboro - Winston-Salem - High Point	766	230
Hamilton - Middletown	1,080	15	Gary - Hammond	850	124	Lafayette - West Lafayette	765	232
Joliet	1,060	16	Olympia	850	124	Clinton	764	233
Baton Rouge	1,055	17	San Diego	850	126	Champaign - Urbana - Rantoul	761	234
Yuba City	1,050	18	San Jose	850	127	Jameson - Dundalk	761	234
Modesto	1,047	19	Midland, Tex.	851	128	Roughneck	760	236
Beaver County, Pa.	1,041	20	Chico	849	129	Elkhart - Goshen	759	237
Las Vegas	1,037	21	Missaukee	849	129	Redding	759	237
Visalia - Tulare - Porterville	1,030	22	Columbia, Mo.	847	131	Benton Harbor	758	239
Lakeland - Winter Haven	1,031	23	Dothan	847	131	Duluth	758	239
Vineyard - Milwau - Bridgeton	1,030	24	Green Bay	847	131	Chattanooga	756	241
Johnson City - Kingsport - Bristol	1,026	25	Waco	846	134	Burlington - Dover - Rochester	755	242
Orlando	1,022	26	Metairie - Trussville - Prattville	845	135	Raleigh - Durham	755	242
Vancouver	1,021	27	Tampa - St. Petersburg - Clearwater	845	135	Battle Creek	753	244
Greene	1,020	28	Aurora - Elgin	844	137	Cedar Rapids	751	245
St. Cloud	1,016	29	Springfield, Mass.	844	137	Marshall	751	245
Las Cruces	1,004	30	Cleveland	843	139	Charleston, W.Va.	750	247
Alexandria, La.	1,000	31	Lynchburg	842	140	Lexington - Fayette	749	248
Fayetteville, N.C.	1,000	31	Reno	842	140	Nacogdoches - Sulphur	748	249
Bakersfield	999	33	Bangor	840	142	Hartford - New Britain - Middletown - Bristol	746	250
Beaumont - Port Arthur	999	33	Bismarck	840	142	Portland, Ore.	746	250
Shreveport	998	35	Miami - Hialeah	840	142	Madison	745	252
Bradenton	993	36	Alexandria	839	145	San Jose - San Jose - Monterey	745	252
Pasadena	987	37	Elmira	839	145	Atlanta	744	254
Vallejo - Fairfield - Napa	985	38	Rochester, N.Y.	837	147	Providence - Pawtucket - Woonsocket	744	254
Self Lake City - Ogden	984	39	Columbus, Ohio	834	148	Burlington, N.C.	743	256
Tacoma	984	39	Dallas	834	148	Hickory - Morganton	743	256
Yakima	983	41	Albany - Bethlehem - Easton	832	150	Scranton - Wilkes-Barre	743	256
Yuma	983	41	Muskegon	832	150	Oakdale	742	259
Houston	977	43	Racine	832	150	Fort Smith	741	260
Provo - Butte	976	44	Harrisburg - Lebanon - Carlisle	829	153	Joplin	741	260
San Francisco	968	45	Little Rock - North Little Rock	829	153	Albuquerque	740	262
Grand Rapids	967	46	Pittsburgh	829	153	Anheim - Santa Ana	740	262
Saginaw - Bay City - Midland	967	46	Colorado Springs	828	156	New London - Norwich	740	262
Stockton	967	46	Williamsport	828	156	Boston	735	265
Wilmington, Del.	967	46	Youngstown - Warren	828	156	Evansville	734	266
Fresno	956	50	Greenville - Spartanburg	827	159	Albany - Schenectady - Troy	732	267
Mobile	956	50	Huntsville	827	159	Albany	728	268
Shelbyville	955	52	Jacksonville - Beaufort	826	161	Syracuse	728	268
Lancaster	953	53	Enid	825	162	Cumberland	725	270
Montgomery	952	54	Fort Collins - Loveland	825	162	Longview - Marshall	724	271
Steubenville - Weston	951	55	Nashville	824	164	Boston - Lawrence - Salem - Lowell	723	272
Birmingham	948	56	Chicago	823	165	Brooklyn	720	273
Fort Worth - Arlington	946	57	New York	822	166	Tulsa	719	274
Augusta	944	58	Waco	821	167	Ashville	719	274
Philadelphia	943	59	Washington	820	168	South Bend - Mishawaka	719	274
Clarksville - Hopkinsville	942	60	Cincinnati	819	169	Seattle	718	276
Lafayette	940	61	Decatur, Ill.	818	170	Buffalo	716	277
Jackson, Mich.	939	62	Lake County, Ill.	818	170	Southern Falls	716	277
Lawrence, Kans.	939	62	Rochester, Minn.	817	172	Bridgeport - Stamford - Norwalk - Danbury	716	279
Memphis	938	63	Savannah	817	172	Bloomington, Ind.	710	280
Tyler	938	63	State College	813	174	La Crosse	709	281
Anderson, S.C.	935	66	Richmond - Petersburg	812	175	Uma	708	282
Tuscaloosa	935	66	Jacksonville, Fla.	811	176	Lubbock	706	283
Danville, Va.	928	68	St. Louis	810	177	Bellingham	705	284
Huntington - Ashland	926	69	Sherman - Denton	810	177	Fort Lauderdale - Hollywood	705	284
Minneapolis - St. Paul	925	69	Omaha	809	179	Honolulu	705	284
Cadiz	924	71	Reading	805	180	Bloomington - Normal	701	287
Orlando - Ventura	920	72	Altoona	804	181	Springfield, Ill.	699	288
Baltimore	919	73	Charlotte - Gastonia - Rock Hill	804	181	Anchorage	698	289
Pensacola	919	73	Salem, Ore.	804	181	Naples	698	289
Charleston, S.C.	917	75	Kalamazoo	802	184	Wichita	694	291
Texarkana	915	76	Owensboro	802	184	Eugene - Springfield	693	292
Anderson, Ind.	913	77	Terre Haute	802	184	Medford	691	293
Pomona, S.C.	912	78	Chattanooga	801	187	Santa Barbara - Santa Maria - Lompoc	690	294
York	910	79	Santa Rosa - Petaluma	801	187	Dubuque	683	295
Lafayette, La.	909	80	Peoria	798	189	Topeka	683	295
Kankakee	908	81	Pueblo	796	190	Fort Worth	683	295
Kenosha	907	82	Orlando	795	191	Santa Fe	679	298
Richard - Kennesaw - Roscoe	906	83	Ann Arbor	794	192	Burlington, Vt.	678	299
Bryn - College Station - Johnston	902	84	West Palm Beach - Boca Raton	794	192	Great Falls	677	300
Lorain - Elina	902	84	Delray Beach	794	192	Rosario	674	301
Detroit	900	87	Oakland	792	195	Kokomo	667	302
Phoenix	896	88	Sioux City	792	195	Amario	663	303
Lansing - East Lansing	894	89	Toledo	792	195	Rapid City	658	304
Pomona, Ala.	893	90	Victoria	791	196	Casper	653	305
Tallahassee	889	91	Columbia, S.C.	789	199	Nagasaki Falls	653	305
Galveston - Texas City	886	92	Waterloo - Cedar Falls	789	199	Sarasota	653	305
Jackson, Tenn.	883	93	Cheyenne	788	201	Oaklahoma City	651	308
Middlesex - Somerset - Haverhill	881	94	Fayetteville - Springdale	788	201	Boulder - Longmont	637	309
Athens	878	95	Austin	787	203	Fort Walton Beach	637	309
Columbus, Ga.	878	95	New Bedford - Nashua	787	203	Pharmacia City	613	313
Fort	878	95	New Bedford - Fall River - Attleboro	787	203	Portland, Me.	606	312
Jackson, Miss.	878	95	Rockford	787	203	Bilings	603	313
Fort Pierce	876	99	Sacramento	785	207	Santa Cruz	603	313
Hagerstown	876	99	Fargo - Moorhead	784	208	Enid	589	315
Binghamton	875	101	Knoxville	784	208	Wilmington, N.C.	567	316
Muncie	875	101	New Haven - Waterbury - Meriden	784	208	Chesapeake	566	317
Grand Forks	874	103	Sharon	784	208	Great Falls	526	318
Appleton - Oshkosh - Neenah	872	104	Denver	783	212	San Francisco	491	319
San Antonio	871	105	Davenport - Rock Island - Moline	782	213	Atlanta, City	450	320
Kansas City	869	106	San Jose	782	213			
Louisville	869	106	Bergen - Passaic	780	215			
Iowa City	868	108	St. Joseph	780	215			
New Orleans	868	108	Fort Wayne	779	217			

Total Above Areas 826

United States Total 838

1991 Per Capita Eating Place Sales

Metro Area	Per Capita Sales	Rank	Metro Area	Per Capita Sales	Rank	Metro Area	Per Capita Sales	Rank
Honolulu	1,769	1	St. Louis	749	157	Bryan - College Station	626	216
Anchorage	1,692	2	Butte	744	158	Newark	625	217
San Francisco	1,501	3	Kansas City	743	159	Rochester, N.Y.	625	217
Raleigh - Durham	1,281	4	Rochester, Minn.	743	159	Poughkeepsie	622	219
Plano	1,178	5	Galveston - Texas City	742	161	Chattanooga	619	220
Portland, Me.	1,169	6	Oakland	742	161	Albany, Ga.	618	221
Atlanta City	1,114	7	Davenport - Rock Island	741	163	Hickory - Morganton	618	221
Boston - Lawrence - Salem - Lowell	1,096	8	Tampa - St. Petersburg - Clearwater	738	164	Bakersfield	616	223
Brooklyn	1,088	9	San Diego	738	164	Wilmington, Del.	616	223
Seattle	1,088	9	Providence - Pawtucket - Woonsocket	737	166	Midwest	614	225
Orlando	1,081	10	Fort Collins - Loveland	735	167	Aniston	612	226
Burlington, Vt.	1,069	11	Fort Wayne	735	167	Aurora - Elgin	610	227
Wilmington, N.C.	1,025	12	Omaha	733	169	San Lake City - Ogden	610	227
Pittsford	1,028	13	Flag - Mount Pleasant	732	170	San Angelo	610	227
Anaheim - Santa Ana	1,034	14	Great Falls	731	171	Chico	605	230
Santa Barbara - Santa Maria - Lompoc	1,027	15	Las Vegas	731	171	Vancouver	603	231
Naples	994	16	Milwaukee	731	171	Harrisburg - Lebanon - Carlisle	602	232
Portland, Ore.	973	17	Lexington - Auburn	726	174	Victoria	602	232
Santa Fe	972	18	Green Bay	725	175	Owensboro	601	234
Fort Lauderdale - Hollywood - Pompano Beach	949	20	Bergen - Passaic	724	176	Pittsburgh	601	234
Sarasota	942	21	Tulsa	723	177	Beaumont - Port Arthur	600	236
Fort Walton Beach	939	22	Dayton - Springfield	721	178	Youngstown - Warren	600	236
Portsmouth - Dover - Rochester	933	23	Alexandria	716	179	Watkins - Cedar Falls	596	238
Ann Arbor	925	24	Greensboro - Winston-Salem - High Point	716	179	Burlington, N.C.	594	239
West Palm Beach - Boca Raton - Delray Beach	914	25	Charlottesville	715	181	Irish	592	240
Boulder - Longmont	913	26	Huntsville	715	181	Mobile	590	242
La Crosse	913	26	Albany	714	183	End	590	242
Spokane	911	28	Mass. - Warner Robins	711	184	Corpus Christi	589	243
Longmont - Fayette	908	29	Lincoln	707	185	Gary - Hammond	588	244
Santa Cruz	906	30	Rockford	704	186	Odessa	586	245
New Bedford - Fall River - Attleboro	894	31	Spokane - Coeur d'Alene	703	187	Wichita	584	246
Los Angeles - Long Beach	893	32	Greenfield - Spartanburg	702	188	Cumberland	583	247
Wichita Falls	890	33	Madison - Tusculum - Rye Bay	702	188	Tulsa	582	248
Fort Myers - Cape Coral	889	34	Charlottesville - Rock Hill	701	190	Scranton - Wilkes-Barre	582	248
Dallas	882	35	Dallas	699	191	Wheeler	581	250
Champaign - Urbana - Rantoul	880	36	Chattanooga	699	191	Albany	580	251
Bellingham	879	37	Chattanooga	698	193	Anderson, Ind.	577	252
Manchester - Nashua	877	38	State College	698	193	Urbana - Rome	577	252
Atlanta	872	40	Fort Smith	698	193	Lawrence, S.C.	576	254
Birmingham - Normal	869	42	St. Louis	692	197	Brighton	573	255
Washington	868	43	Springfield, Mo.	689	198	Fayetteville, N.C.	573	255
Indianapolis	867	44	Augusta	687	199	Nagasaki	573	255
Sarasota - Seaside - Monticello	866	45	Baton Rouge	686	200	Rockingham - Manetta	573	255
Nashville	865	46	San Francisco	686	200	Pharmacia	570	259
Oakland	855	47	Battle Creek	684	202	Tusculum	568	260
Springfield, Mass.	849	48	Lawrence	684	202	Albany - Bethlehem - Easton	566	262
Albuquerque	848	49	Fauquier	683	203	Knoxville	565	263
Austin	848	49	Urbana	682	204	Memphis	564	264
San Diego	847	51	Norfolk - Suffolk	679	205	Florence, Ala.	560	265
Jacksonville, Fla.	846	52	Waco	679	205	Shelbyville	554	266
Denver	840	53	Albany	675	209	Fayetteville - Springfield	552	267
Columbia, S.C.	838	54	Saginaw - Bay City - Midland	675	209	Hamilton - Middletown	551	268
Bridgeport - Stamford - Norwalk - Danbury	828	55	Frederic	674	210	Jackson, Tenn.	550	269
Southern Falls	827	56	Orlando	673	213	Lawrence - Winter Haven	550	269
Cedar Rapids	824	57	Waco	673	213	Decatur, Ala.	549	271
Bradenton	823	58	Montgomery	672	215	Anderson, S.C.	548	272
Columbus, Ohio	822	59	Olympia	671	216	Durham	546	273
Lubbock	822	59	Norfolk - Virginia Beach - Newport News	670	216	Lake Charles	545	274
Medford	822	59	Bismarck	669	219	Baton Rouge	543	276
Sacramento	820	62	Charleston, W.Va.	669	219	Midland, Tex.	540	277
Eugene - Springfield	819	63	Fort Pierce	669	219	Johnson City - Kingsport - Bristol	539	278
Adelphi	817	64	Richmond - Petersburg	668	220	Sherman - Denison	537	279
Lafayette, La.	817	64	Lansing - East Lansing	666	223	Orange County, N.Y.	536	280
New Haven - Waterbury - Meriden	816	66	Marshall	666	223	Alexandria	535	281
New Orleans	816	66	Charleston, S.C.	663	225	Jacksonville, N.C.	533	282
Birmingham - New Britain - Middletown - Bristol	813	68	Stockton	662	226	York	528	283
Bellingham	812	69	Canby	662	226	Bremerton	526	284
Rapid City	812	69	Grand Forks	661	227	Canby - Hopkinsville	526	284
Wichita	811	71	Albany - Schenectady - Troy	661	227	Huntington - Ashland	526	284
Chicago	808	72	Columbus, Ga.	660	229	Racine	524	287
Daytona Beach	804	73	Little Rock - North Little Rock	660	229	Jackson, Mich.	517	288
Minneapolis - St. Paul	804	73	Pensacola	660	229	St. Cloud	517	288
Bloomington, Ind.	802	75	Valley - Fairfield - Napa	660	229	Gadsden	505	290
Myrtle	800	76	Albany	659	230	Houma - Thibodaux	505	290
Santa Rosa - Petaluma	800	76	Colorado Springs	658	231	Kankakee	496	292
Madison	799	78	Japan	656	231	Hagerstown	495	293
Knoxville	798	79	Baltimore	654	232	Lorain - Elyria	493	294
Rochester	798	79	Fort Worth - Arlington	654	232	Laredo	484	295
Iowa City	796	81	Madison - Somerset - Haverhill	651	233	Danville, Va.	482	296
Des Moines	795	82	Murkin	650	234	Greene	480	297
Miami - Hialeah	795	82	Reading	650	234	Pasadena	474	298
Worcester - Fitchburg - Leominster	795	82	Springfield, Ill.	648	235	Pine Bluff	473	299
Topeka	790	85	Blair - Gulfport	643	238	Yuma	473	299
Phoenix	779	86	Elkhart - Goshen	643	238	Williamsport	471	301
Gainesville	776	87	Lynchburg	643	238	Sharon	468	303
Chattanooga	775	88	Springfield	643	238	El Paso	464	304
Decatur, Ill.	772	89	Reading	642	239	Joel	463	305
Savannah	772	89	Lansdale	640	239	Kalamazoo	461	306
Kalamazoo	769	90	Pueblo	640	239	Brantford	448	307
Lake County, Ill.	768	93	St. Joseph	640	239	Brownsville - Harlingen	446	308
San Antonio	767	94	Syracuse	640	239	Jamestown - Dunkirk	445	309
Salt Lake City	767	94	Albany	640	239	Jamestown - Dunkirk	445	309
Knoxville	765	96	Reading	638	240	Jamestown - Dunkirk	445	309
Tyler	765	96	Albany	637	240	Jamestown - Dunkirk	445	309
New London - Norwich	762	98	Albany	637	240	Jamestown - Dunkirk	445	309
South Bend - Mishawaka	759	99	Albany	637	240	Jamestown - Dunkirk	445	309
Evansville	758	100	Albany	637	240	Jamestown - Dunkirk	445	309
Rose	757	101	Albany	637	240	Jamestown - Dunkirk	445	309
Lawrence, Kans.	756	102	Albany	637	240	Jamestown - Dunkirk	445	309
Benton Harbor	755	103	Albany	637	240	Jamestown - Dunkirk	445	309
Lafayette - West Lafayette	753	104	Albany	637	240	Jamestown - Dunkirk	445	309
Des Moines - Wintona	752	105	Albany	637	240	Jamestown - Dunkirk	445	309
Sacramento	751	106	Albany	637	240	Jamestown - Dunkirk	445	309

1991 Per Capita Fast Food Sales

Metro Area	Per Capita Sales	Rank	Metro Area	Per Capita Sales	Rank	Metro Area	Per Capita Sales	Rank
Honolulu	632	1	Des Moines	324	110	Springfield, Ill.	266	217
Raleigh-Durham	607	2	Eugene-Springfield	324	110	Fort Collins-Loveland	264	218
Washington, N.C.	553	3	Hickory-Morganton	324	110	New Haven-Waterbury-Meriden	264	218
Wichita	535	4	Lincoln	324	110	New London-Norwich	263	220
Indianapolis	459	5	Omaha	323	114	Topeka	261	220
Lexington-Fayette	451	6	Long Beach	323	114	Waterloo-Cedar Falls	260	220
Huntsville	434	7	Los Angeles-Long Beach	322	116	Hamilton-Middletown	262	223
Panama City	432	8	Kalamazoo	320	117	Worcester-Fitchburg-Leominster	262	223
Asheville	426	9	Fresho	319	118	Muskegon	261	225
Santa Fe	426	10	Stoughton	318	118	Maumee	261	225
Dallas	425	11	Keosauqua	318	118	East Grand Rapids	259	227
Jacksonville-Fall	423	12	Barnstable	318	120	Lake Charles	259	227
Louisville	422	13	Jackson-Miss.	317	122	Richardson-Kennett-Pasco	258	229
Portland-Me.	420	14	Owensboro	317	122	Freeport	257	230
Bloomington-Ind.	417	15	Canterbury	316	124	Alexandria-La.	255	231
Wichita Falls	411	17	Chapman	316	124	West Palm Beach-Boca Raton	255	231
Columbus, Ohio	409	18	Muskegon	316	124	Miami-Hawah	254	231
Montgomery	407	19	Muskegon	316	124	State College	254	231
Topeka	407	19	Fort Wayne	315	128	Hartford-New Britain-Middletown	253	235
Ames	403	21	Benton Harbor	314	130	Brattleboro	253	235
Atlanta	402	22	Columbia-Mo.	314	130	Wilmington-De.	253	235
Charleston-W.Va.	398	23	Norfolk-Virginia Beach-Newsport News	314	130	Fort Myers-Cape Coral	252	237
Columbia, S.C.	396	25	Charlottesville	314	130	Harrisburg-Lebanon-Carlisle	252	237
South Bend-Mishawaka	396	26	Huntington-Ashland	313	134	Appleton-Oshkosh-Neenah	251	240
Evansville	394	27	Phoenix	313	134	Aurora-Evanston	249	241
Spokane	394	27	Albany-Ga.	312	137	Midland-Tex.	249	241
Lawrence-Kans.	393	29	Albany-Ga.	312	137	Providence-Pawtucket-Woonsocket	249	241
Andover-Santa Ana	392	30	Burlington-N.C.	312	137	Champaign	248	244
Lafayette-West Lafayette	391	31	Corpus Christi	311	140	Sherman-Denison	248	244
Wichita	391	31	Corpus Christi	311	140	Orlando	247	246
Savannah	390	33	Tulsa	310	141	Bangor	246	247
Lafayette-La.	389	34	Waco	310	141	Cumberland	246	247
Ann Arbor	388	35	Richmond-Petersburg	309	141	Fort Pierce	245	249
Decatur-Ala.	384	36	San Antonio	307	145	Haddington	244	249
Memphis	381	37	San Antonio	307	145	Rochester-N.Y.	243	251
Lubbock	380	38	San Antonio	307	145	Jacksonville-Beach	241	252
San Francisco	380	38	San Antonio	307	145	Houston-The Woodlands	240	253
Bloomington-Guthrie	379	40	San Antonio	307	145	Yuma	237	254
Dayton-Springfield	379	40	San Antonio	307	145	Lorain-Elyria	234	255
Owensboro	376	42	San Antonio	307	145	Modesto	233	256
Seattle	373	43	San Antonio	307	145	Lawson	231	257
Knox	372	44	San Antonio	307	145	Chico	230	258
Cincinnati	372	44	San Antonio	307	145	Pueblo	230	258
Fort Smith	372	44	San Antonio	307	145	San Jose	230	258
Anniston	371	47	San Antonio	307	145	San Jose-Wilkes-Barre	230	258
Cedar Rapids	364	48	San Antonio	307	145	Lansing	224	262
Charlotte-Gastonia-Rock Hill	364	48	San Antonio	307	145	Rockford	223	263
Naples	364	48	San Antonio	307	145	Reading	222	264
Orlando	364	48	San Antonio	307	145	Pittsburgh	221	265
San Antonio	364	48	San Antonio	307	145	Waukegan	221	265
San Jose	364	48	San Antonio	307	145	Bridgeport-Stamford-Norwalk-Danbury	220	267
Portland-Ore.	363	54	San Antonio	307	145	Tulsa	219	269
Long Beach-Moorhead	362	55	San Antonio	307	145	Lynchville	219	269
Champaign-Urbana-Rantoul	360	56	San Antonio	307	145	Enid	216	270
Knoxville	359	57	San Antonio	307	145	Albany-Schenectady-Troy	215	271
Macon-Warner Robins	359	57	San Antonio	307	145	Jackson-Mich.	215	271
Augusta	358	59	San Antonio	307	145	Kenosha	214	273
Pensacola	358	59	San Antonio	307	145	Klein-Temple	213	274
St. Louis	357	61	San Antonio	307	145	Attorna	211	275
Tampa-Hiale	357	61	San Antonio	307	145	Carroll-Va.	211	275
Kansas City	356	63	San Antonio	307	145	Shelbyville	210	277
Albuquerque	355	64	San Antonio	307	145	Hagerstown	208	278
Bloomington-Normal	355	64	San Antonio	307	145	Middlesex-Groenest-Hunterdon	208	278
Atlanta-City	354	66	San Antonio	307	145	Branson	207	280
Dallas	354	66	San Antonio	307	145	Brownsville-Harlingen	206	281
Sacramento	354	66	San Antonio	307	145	Kankakee	203	283
Ypsil	353	69	San Antonio	307	145	Berger-Pascat	202	283
Tulsa	348	70	San Antonio	307	145	York	202	283
Iowa City	347	71	San Antonio	307	145	Albany-Bethlehem-Easton	201	285
Chattanooga	346	72	San Antonio	307	145	Duluth	201	285
La Crosse	346	72	San Antonio	307	145	Steubenville-Werton	201	285
Wheeling	346	72	San Antonio	307	145	Lancaster	200	286
Bilings	345	75	San Antonio	307	145	Racine	199	286
Birmingham	345	75	San Antonio	307	145	Trenton	199	286
Roskilde	345	75	San Antonio	307	145	Carmel-Falls	195	291
Fort Walton Beach	344	78	San Antonio	307	145	Brentwood	194	292
New Bedford-Fall River-Attleboro	344	78	San Antonio	307	145	St. Cloud	191	293
Tuscaloosa	344	78	San Antonio	307	145	Joliet	190	294
Parkersburg-Marietta	343	81	San Antonio	307	145	Newark	190	294
Waco	342	82	San Antonio	307	145	Los Angeles	189	295
Oaklahoma City	342	82	San Antonio	307	145	Yuma	187	297
Santa Cruz	342	82	San Antonio	307	145	Philadelphia	186	298
Owensboro	341	85	San Antonio	307	145	Murphy-Douglas	179	299
Pomona-As	340	86	San Antonio	307	145	Nassau-Suffolk	174	300
Davenport-Rock Island-Moline	338	87	San Antonio	307	145	Rockledge	174	300
Minneapolis	338	87	San Antonio	307	145	Jacksonville-Dunedin	173	301
Santa Barbara-Santa Maria-Lompoc	338	87	San Antonio	307	145	Greenville	172	303
Boston	337	90	San Antonio	307	145	Shreve	172	303
Little Rock-North Little Rock	335	91	San Antonio	307	145	Williamsport	172	303
Sioux Falls	335	91	San Antonio	307	145	Provo-Orem	169	306
Elkhart-Goshen	334	93	San Antonio	307	145	Utica-Rome	161	307
Johnson City-Kingsport-Bristol	334	93	San Antonio	307	145	Rice City	161	307
Annapolis	333	95	San Antonio	307	145	Bringhamton	160	308
Columbus-Ga.	333	95	San Antonio	307	145	Nagasaki-Falls	160	308
New Orleans	332	97	San Antonio	307	145	Jersey City	157	311
Oakland	332	97	San Antonio	307	145	Merced	156	312
Shreveport	332	97	San Antonio	307	145	Mullen-Eidburg-Mission	153	313
Greensboro-Winston-Salem-High Point	331	100	San Antonio	307	145	New York	153	313
Rapid City	329	101	San Antonio	307	145	Elmira	152	313
Bozeman	328	102	San Antonio	307	145	Johnstown	152	313
Boulder-Longmont	328	102	San Antonio	307	145	Orange County-N.Y.	150	317
Daytona Beach	328	102	San Antonio	307	145	Visalia-Tulare-Porterville	148	318
Dubuque	328	102	San Antonio	307	145	Beaver County-Pa.	143	319
San Diego	328	102	San Antonio	307	145	Wendell-Middle-Bridgeton	136	320
Springfield-Mo.	328	102	San Antonio	307	145			
Ypsilanti-Mich.	325	105	San Antonio	307	145			
Madison	325	108	San Antonio	307	145			

1991 Per Capita Restaurant Sales

Metro Area	Per Capita Sales	Rank	Metro Area	Per Capita Sales	Rank	Metro Area	Per Capita Sales	Rank
San Francisco	926	1	State College	361	108	Greensboro - Winston-Salem - High Point	273	214
Honolulu	849	2	Des Moines	360	107	Baltimore	271	216
Atlanta City	726	3	Madison - Somerset - Hagerstown	358	109	Macon - Warner Robins	270	217
Pittsfield	681	4	Yakima	358	109	Terre Haute	268	218
Burlington, VT	679	5	Atlanta	356	110	Albany	267	219
Portland, ME	672	6	New Orleans	356	110	Columbia, Mo	267	219
Anchorage	667	7	Jacksonville, Fla	354	112	Waco	266	221
Boston - Lawrence - Salem - Lowell	645	8	Toledo	354	112	Joplin	266	222
Brooklyn	642	9	Fargo - Moorhead	353	114	Fort	264	223
Panama City	642	9	Wichita Falls	352	115	Youngstown - Warren	264	223
Santa Barbara - Santa Maria - Lompoc	642	9	Grand Rapids	351	116	Cumberland	263	225
Sarasota	640	11	Akron	350	117	Pennsacola	262	226
Orlando	626	12	Dubuque	350	117	Tulsa	262	226
Seattle	616	13	Lexington - Fayette	350	117	Charlotte - Gastonia - Rock Hill	261	228
West Palm Beach - Boca Raton	600	14	Roskilde	350	117	Peoria	261	228
Delray Beach	600	14	St. Joseph	349	121	Greenville - Spartanburg	258	231
Fort Lauderdale - Hollywood	590	15	Melbourne - Titusville - Palm Bay	349	121	Yuma	258	231
Pompano Beach	589	16	Armando	345	123	Fort Worth - Arlington	257	233
Portsmouth - Dover - Rochester	589	16	Youghiogebio	343	124	Jackson, Mich	256	234
Fort Myers - Cape Coral	571	17	Redding	342	125	Muncie	254	235
Salt Lake - Seaside - Monterey	559	18	Columbus, Ohio	341	126	Greely	253	236
Anaheim - Santa Ana	548	19	Omaha	341	126	Columbus, Ga	251	237
Naples	541	20	Battle Creek	339	128	Elkhart - Goshen	251	237
Raleigh - Durham	530	21	Waco - Fairfield - Napa	339	128	Athens	250	239
Portland, Ore	516	22	Trenton	338	130	Longview - Marshall	250	239
Manchester - Nashua	515	23	Pueblo	337	131	Gary - Hammond	249	241
Fort Walton Beach	511	24	Rockford	337	131	Bryar - College Station	248	242
La Crosse	501	25	Waukegan	337	131	Little Rock - North Little Rock	245	243
Springfield, Mass	499	26	Cleveland - Rock Island - Moline	336	134	Sharon	244	244
San Jose	498	27	Lansing - East Lansing	332	135	Williamsport	244	244
Bridgeport - Stamford - Norwalk - Danbury	484	28	Buffalo	331	136	Lakeland - Winter Haven	242	246
Boulder - Longmont	481	29	Reno	331	136	Shreveport	242	246
Santa Cruz	479	30	Lincoln	329	138	Hamilton - Middletown	241	248
Los Angeles - Long Beach	477	31	Detroit	328	139	San Angelo	241	248
Billings	474	32	Modesto	327	140	Fort Smith	238	250
New Bedford - Fall River - Attleboro	466	33	Lubbock	326	141	Kankakee	238	250
New Haven - Waterbury - Meriden	464	34	Appleton - Oshkosh - Neenah	325	142	Salt Lake City - Ogden	238	250
Ann Arbor	458	35	Sioux City	325	142	Victoria	238	250
Bellingham	454	36	Bernmark	323	144	Augusta	236	254
San Diego	454	36	Cleveland	323	144	Albany, Ga	235	255
Santa Fe	452	38	Chico	322	146	Jamestown - Dunkirk	233	256
Madison	450	39	Las Vegas	322	146	Jackson, Miss	232	257
Bradenton	448	40	San Jose	321	148	Ocala	232	257
Sioux Falls	447	41	Wausau	321	148	Florence, S.C	231	259
Spokane	447	41	Charleston, S.C	319	150	Hickory - Morganton	230	260
Oakland	446	43	Grand Forks	319	150	Chattanooga	227	261
Hartford - New Britain - Middletown	444	44	Charlottesville	318	152	Jenks City	227	261
Bristol	444	44	Urbana - Rome	318	152	Anderson, Ind	226	263
Washington	439	46	Wichita	317	155	Yuba City	226	263
Rapid City	439	46	Napa - Fairfield	316	156	Texasark	226	265
Denver	438	47	Binghamton	316	156	Hagerstown	224	266
Worcester - Hingham - Leominster	438	47	Stockton	316	156	Jax	223	267
Medford	433	49	Carlton	315	158	Burlington, N.C	221	268
Santa Rosa - Petaluma	432	50	Bloomington, Ind	314	159	Mobile	221	268
Eugene - Springfield	431	51	Fresno	312	160	Anderson, S.C	220	270
New London - Norwich	425	52	Springfield, Ill	312	160	Jackson, Tenn	218	271
Garfield	423	53	Muskegon	311	162	Beaumont - Port Arthur	217	272
Champaign - Urbana - Rantoul	422	54	Kankakee	310	163	Merced	217	272
Cheyenne	422	54	Rochester, N.Y.	309	164	Vineyard - Melville - Bridgeton	217	272
Tacoma	422	54	Pittsburgh	308	165	Johnstown	216	275
Chicago	421	57	Erie	307	166	Lorain - Elys	216	275
Minneapolis - St. Paul	421	57	Kansas City	306	167	Huntsville	215	277
Providence - Pawtucket - Woonsocket	420	59	Newark	305	167	Charleston, W.Va	214	278
Lewiston - Auburn	418	60	Ashville	304	169	Danville, Va	214	278
Miami - Hialeah	418	60	Shelbyville	304	169	Memphis	214	278
Tallahassee	416	63	Columbia, S.C	303	171	Midland, Tex	214	278
Bloomington - Normal	416	63	Lafayette, La	303	171	Fayetteville, N.C	213	282
Daytona Beach	413	64	San Antonio	303	171	Freeman - Denison	213	282
Sacramento	412	65	San Jose	303	171	Corpus Christi	212	284
Cincinnati	410	66	Tyler	303	171	Owensboro	212	284
Albuquerque	408	67	Colorado Springs	302	176	Birmingham	211	285
Monmouth - Ocean	402	68	Wilmington, Del	302	176	End	211	286
Lancaster	401	69	Erema	301	178	Dofan	210	286
Green Bay	398	70	Indianapolis	301	178	Clarksville - Hopkinsville	209	288
Lake County, Ill	398	70	Altoona	300	180	Visalia - Tulare - Porterville	207	290
Rochester, Minn	398	70	Philadelphia	300	180	Beaver County, Pa	204	291
Bangor	395	73	Harrisburg - Lebanon - Carlisle	299	182	Lake Charles	202	292
Great Falls	395	73	Kokomo	299	182	Montgomery	202	292
Wilmington, N.C	393	75	Lima	298	184	Las Cruces	201	294
Richland - Kennewick - Pasco	391	76	Schanton - Wilkes-Barre	298	184	Alexandria, La	199	295
New York	388	77	Monroe	297	186	Jacksonville, N.C	199	295
Orland - Ventura	388	77	South Bend - Mishawaka	297	186	Baton Rouge	198	297
Tempe - Scottsdale - Phoenix	388	77	Evansville	296	188	Bliss - Gulfport	194	298
Cedar Rapids	387	80	Houston	296	188	Fayetteville - Springdale	192	299
Fort Collins - Loveland	387	80	Orange County, N.Y.	296	188	Lenoir	192	299
Genevieve	385	82	Lafayette - West Lafayette	295	191	Staubsville - Marion	189	301
Fort Wayne	383	83	Riverside - San Bernardino	295	191	Knoxville - Knoxville	188	302
Kalamazoo	381	84	Bernton	294	193	Wheeling	187	303
Nashville	381	84	Galveston - Texas City	293	195	El Paso	186	304
Berger - Paines	380	86	Duluth	293	195	Anniston	184	305
Milwaukee	379	87	Norfolk - Virginia Beach - Newport News	293	195	Kalamazoo - Temple	183	306
Norfolk - Suffolk	379	87	Topoka	293	195	Parkburg - Marietta	183	306
Olympia	376	89	Aurora - Elgin	292	198	Braunton	177	308
Casper	375	90	Manassas	292	198	Brownsville - Harlingen	176	309
Eau Claire	375	90	Lawrenceville	292	198	Tulsa	170	310
Provo	375	90	Racine	288	201	Huntington - Ashland	169	311
Benton Harbor	374	90	Louisville	288	202	Jackson, Ala	168	312
Knoxville	372	94	Lynchburg	288	202	Lewiston	168	313
Saginaw - Bay City - Midland	372	94	Lawrence, Kans	282	204	Pine Bluff	166	314
Decatur, Ill	370	96	St. Louis	282	204	Johnson City - Kingsport - Bristol	154	315
Iowa City	370	96	Oklahoma City	281	206	Jackson	152	316
Seattle, Ore	370	96	Wesley - Cedar Falls	280	207	Pasadena	143	317
Dallas	369	99	York	279	208	Decatur, Ala	134	318
Reading	368	100	Dayton - Springfield	278	209	Provo - Orem	132	318
Austin	367	101	Springfield, Mo	278	209	McAllen - Edinburg - Mission	131	320
Ocala	366	102	Baltimore	277	211			
Albany - Schenectady - Troy	365	103	St. Cloud	277	211			
Dubuque	365	103	Richmond - Petersburg	276	213			
Fort Pierce	364	105	Adelphi - Bethesda - Easton	273	214			

Total Above Average 374

United States Total 340

1991 Total Population

ADI	Population (000)	Rank	ADI	Population (000)	Rank	ADI	Population (000)	Rank
New York	18,758.4	1	Austin, Tex.	982.3	70	Rockford	414.9	140
Los Angeles	13,838.1	2	Lexington	973.1	71	Sou City	412.3	141
Chicago	8,447.7	3	Syracuse	964.6	72	Terre Haute	411.2	142
Philadelphia	7,245.8	4	Des Moines	957.2	73	Elmer	410.4	143
San Francisco - Oakland - San Jose	5,971.5	5	Omaha	946.7	74	Wheeling - Steubenville	399.6	144
Boston	5,745.7	6	Springfield - Decatur - Champaign	930.3	75	Wilmington	392.0	145
Washington, D.C.	4,852.3	7	Portland - Portland Spring	898.7	76	Lubbock	378.9	146
Dallas - Ft. Worth	4,799.6	8	Redwood - Cape Girardeau - Hamburg			Utica	377.4	147
Detroit	4,689.5	9	Marion	854.9	77	Okemulgee - Midland	377.2	148
Houston	4,097.4	10	Las Vegas	840.1	78	Albany, Ga.	366.0	149
Atlanta	3,993.2	11	Spokane	838.7	79	Minot - Bismarck - Dickinson - Grand Forks	365.4	150
Cleveland	3,757.6	12	Springfield, Mo.	835.4	80	Columbia - Jefferson City	362.6	151
Minneapolis - St. Paul	3,716.2	13	Columbia, S.C.	830.8	81	Bluefield - Beckley - Oak Hill	359.4	152
Seattle - Tacoma	3,640.0	14	Tucson	821.5	82	Medford	356.6	153
Miami - Ft. Lauderdale	3,367.3	15	Jackson, Miss.	815.9	83	Japan - Pittsburg	353.2	154
Sacramento - Stockton	3,204.1	16	South Bend - Elkhart	815.7	84	Rochester - Mason City - Austin	349.9	155
Tampa - St. Petersburg	2,968.4	17	Cedar Rapids - Waterloo - Dubuque	807.8	85	Bangor	334.9	156
St. Louis	2,946.1	18	Huntsville - Decatur - Florence	801.6	86	Yuba Falls - Prineville	327.4	157
Pittsburgh	2,941.0	19	Davenport - Rock Island - Moline	791.8	87	Blair - Gulfport - Pocatello	302.2	158
Phoenix	2,727.3	20	Johnstown - Altona	764.8	88	Aspen - Steamboat	298.9	159
Denver	2,626.5	21	Chattanooga	764.5	89	Sarasota	287.8	160
Baltimore	2,612.2	22	El Paso	762.8	90	Quincy - Hannibal	275.2	161
San Diego	2,604.4	23	Burlington - Pittsburgh	741.3	91	Carmichael - Weston	266.7	162
Hartford - New Haven	2,488.6	24	Brainerd - Kingsport - Johnson City	738.1	92	Watertown - Carthage	257.6	163
Orlando - Daytona Beach - Melbourne	2,376.8	25	McAllen - Brownsville	733.7	93	Panama City	257.3	164
Portland, Ore.	2,342.8	26	Baton Rouge	732.7	94	Salt Lake City	253.2	165
Indianapolis	2,328.7	27	Madison	727.1	95	Alameda, La.	251.5	166
Milwaukee	2,280.1	28	Youngstown	717.3	96	Lafayette - Hattiesburg	251.5	166
Cincinnati	2,030.8	29	Waco - Temple - Bryan	716.3	97	Guthrie	240.2	168
Kansas City	2,008.3	30	Evansville	687.4	98	Rapid City	238.3	169
Raleigh - Durham	1,988.1	31	Springfield, Mass.	678.9	99	Elmer	236.2	170
Charlotte	1,985.0	32	Ft. Myers - Naples	675.5	100	Galesville	234.0	171
Nashville	1,911.2	33	Savannah	663.0	101	Leve Charles	232.1	172
Salt Lake City	1,906.0	34	Colorado Springs - Pueblo	649.4	102	Hannoverburg	229.7	173
Columbus, Ohio	1,896.8	35	Greenville - New Bern - Washington	646.9	103	El Centro - Yuma	228.7	174
San Antonio - Victoria	1,880.6	36	Charleston, S.C.	643.9	104	Bilings - Hardin	224.1	175
Greenville - Spartanburg - Asheville	1,729.2	37	Salt Lake - Monterey	640.4	105	Greenwood - Greenville	219.8	176
Grand Rapids - Kalamazoo - Battle Creek	1,726.9	38	Ft. Wayne	639.5	106	Johnston	210.7	177
Newark - Portsmouth - New York News			Lansing	633.5	107	Missoula	192.8	178
Hampton	1,691.1	39	Lincoln - Hastings - Kearney	623.0	108	Andover - Ada	184.3	179
New Orleans	1,676.0	40	Santa Barbara - Santa Maria			Mendota	180.4	180
Memphis	1,641.2	41	San Luis Obispo	603.7	109	Great Falls	169.3	181
Buffalo	1,627.0	42	Peoria - Bloomington	587.8	110	Jackson, Tenn.	161.3	182
Providence - New Bedford	1,535.7	43	Augusta	584.2	111	Grand Junction - Durango	150.2	183
Hannoverburg - York - Lancaster - Lebanon	1,530.5	44	Montgomery - Selma	580.7	112	Tulacoma	153.4	184
Albuquerque	1,490.0	45	Bakersfield	581.5	113	Marquette	151.6	185
Oklahoma City	1,471.9	46	Southern Falls - Mitchell	576.8	114	Eureka	149.4	186
Louisville	1,445.0	47	Flag	571.2	115	Lansing	149.0	187
Fresno - Visalia	1,443.1	48	Tyler - Longview - Jacksonville	554.0	116	Parkersburg	148.6	188
Waco - Gains - San Antonio	1,384.3	49	Tallahassee - Thomasville	541.8	117	San Angelo	135.8	189
Birmingham	1,382.4	50	Lafayette, La.	527.9	118	Lafayette, Ind.	132.3	190
Greensboro - Winston Salem			Macon	509.6	119	Buffalo	127.9	191
High Point	1,361.4	51	Corpus Christi	507.3	120	Bowling Green	122.8	192
Dayton	1,337.3	52	Columbus, Ga.	504.8	121	Hagerstown	122.7	193
Albany - Schenectady - Troy	1,337.0	53	Ft. Smith	502.1	122	St. Joseph	119.2	194
West Palm Beach - Ft. Pierce			Yakima - Pasco - Richland - Kennewick	486.9	123	Anniston	116.7	195
Vero Beach	1,320.6	54	Traverse City - Cadillac	486.3	124	Lima	110.6	196
Palm Springs	1,290.0	55	Monroe - El Dorado	478.3	125	Charlottesville	110.3	197
Charleston - Huntington	1,264.0	56	Columbus - Tapelo	474.5	126	Chattanooga - Scottsbluff - Sterling	109.9	198
Jacksonville	1,263.6	57	Hennepin	466.1	127	Casper - Wheaton	108.6	199
First - Saginaw - Bay City	1,236.8	58	La Crosse - Eau Claire	455.6	128	Flagstaff	100.9	200
Little Rock	1,193.8	59	Anaheim	447.4	129	Twin Falls	98.8	201
Richmond	1,183.5	60	Eugene	444.5	130	Okmulgee - Muskogee	87.2	202
Tulsa	1,157.5	61	Wausau - Rhineland	441.8	131	Presque Isle	86.2	203
Mobile - Pensacola	1,132.4	62	Chico - Redding	437.2	132	Zanesville	82.5	204
Travis	1,103.8	63	Duluth - Superior	431.8	133	Marquette	81.9	205
Wichita - Hutchinson	1,100.8	64	Brighton	425.7	134	Bend	78.0	206
Knoxville	1,075.7	65	Wichita Falls - Lawton	424.3	135	Helena	48.2	207
Green Bay - Appleton	1,031.7	66	Florence - Myrtle Beach	422.4	136	North Platte	44.9	208
Rochester, N.Y.	1,008.0	67	Bloomington - Port Arthur	418.5	137	Alpena	40.8	209
Roseville - Lynchburg	1,006.5	68	Topeka	418.4	138			
Shreveport - Texarkana	1,002.6	69	Boise	417.6	139			
						Total U.S. ADI	251,800.8	

1991 Per Capita Effective Buying Income

ADI	Per Capita EBI	Rank	ADI	Per Capita EBI	Rank	ADI	Per Capita EBI	Rank
Washington, D.C.	19,261	1	Tulsa	13,316	71	Roskilde, Lynchburg	11,885	141
San Francisco - Oakland - San Jose	19,035	2	Nashville	13,267	72	Charleston, S.C.	11,865	143
New York	19,015	3	Green Bay - Appleton	13,256	73	San Antonio - Victoria	11,846	144
Hartford - New Haven	18,222	4	South Bend - Elkhart	13,248	74	Minot - Bernards - Dickinson - Grandview	11,835	145
West Palm Beach - Ft. Pierce			Binghamton	13,242	75	Lubbock	11,825	146
Vero Beach	18,022	5	Roswell - Durham	13,206	76	Idaho Falls - Pocatello	11,762	147
Boston	17,869	6	Burlington - Plattsburgh	13,204	77	Manitowish	11,718	148
Sarasota	17,580	7	Rochester - Mason City - Austin	13,194	78	Ft. Smith	11,707	149
Chicago	17,280	8	Southern Michigan	13,193	79	Lexington	11,695	150
Philadelphia	16,948	9	Jacksonville	13,190	80	Duane - Superior	11,693	151
Seattle - Tacoma	16,561	10	Rapid City	13,181	81	Quincy - Hannibal	11,657	152
Ft. Myers - Naples	16,254	11	Twin Falls	13,164	82	Wheeling - Shrubsville	11,634	153
Dallas - Ft. Worth	16,114	12	Norfolk - Portsmouth - Newport News			Gainesville	11,631	154
Denver	16,070	13	Hampton	13,162	83	Salt Lake City	11,613	155
Santa Barbara - Santa Maria			Casper - Riverton	13,157	84	Albuquerque	11,575	156
San Luis Obispo	16,059	14	North Platte	13,150	85	St. Joseph	11,575	156
Los Angeles	15,903	15	Louisville	13,145	86	Waco - Temple - Bryan	11,567	158
Denver	15,765	16	Boston	13,062	87	Johnstown - Albion	11,534	159
San Diego	15,681	17	Huntsville - Decatur - Florence	13,059	88	Zanesville	11,498	160
Baltimore	15,657	18	Butte	12,957	89	Apex - Sweetwater	11,405	161
Houston	15,586	19	Spokane	12,943	90	Jackson, Tenn.	11,400	162
Charlottesville	15,438	20	Buffalo	12,935	91	Macon	11,357	163
Rochester, N.Y.	15,331	21	Billings - Hardin	12,917	92	Tallahassee - Thomasville	11,356	164
Kansas City	15,219	22	Erie	12,860	93	Anniston	11,346	165
Reno	15,212	23	Fair - Saginaw - Bay City	12,785	94	Dothan	11,329	166
Sarasota - Monticello	15,199	24	New Orleans	12,738	95	Wilmington	11,319	167
Hamburg - York - Lancaster - Lebanon	15,152	25	Wicks - Bismarck - Granton	12,728	96	Corpus Christi	11,312	168
Albany - Schenectady - Troy	15,017	26	Simsbury	12,664	97	Shreveport - Texarkana	11,305	169
Rockford	15,012	27	Columbia - Jefferson City	12,657	98	Traverse City - Cadillac	11,297	170
St. Louis	15,008	28	Birmingham	12,626	99	Wichita Falls - Lawton	11,289	171
Atlanta	14,975	29	Baton Rouge	12,598	100	Panama City	11,282	172
Missoula	14,952	30	Evansville	12,582	101	Bowling Green	11,255	173
Austin, Tex.	14,948	31	Colorado Springs - Pueblo	12,578	102	Springfield, Mo.	11,249	174
Minneapolis - St. Paul	14,887	32	Grand Junction - Durango	12,575	103	Greenville - New Bern - Washington	11,224	175
Madison	14,729	33	Urbana	12,563	104	Fresno - Visalia	11,210	176
Mary - Ft. Lauderdale	14,725	34	Spokane	12,514	105	Paducah - Cape Girardeau - Hamburg		
Las Vegas	14,696	35	Southern City	12,478	106	Marion	11,209	177
Peoria - Bloomington	14,626	36	Parkersburg	12,455	107	Apex	11,110	178
Richmond	14,575	37	Waco - Rhineclaire	12,433	108	Jackson - Pittsburg	11,075	179
Cincinnati	14,553	38	Hagerstown	12,378	109	Augusta	11,067	180
Springfield, Mass.	14,512	39	Ottawa - Midland	12,359	110	Montgomery - Selma	11,065	181
Omaha	14,481	40	Elmer	12,350	111	Savannah	11,056	182
Providence - New Bedford	14,326	41	Hannoverburg	12,340	112	Marquette	10,988	183
Portland, Ore.	14,309	42	Greenville - Spartanburg - Asheville	12,283	113	Florence - Myrtle Beach	10,974	184
Portland - Poland Spring	14,258	43	Eugene	12,279	114	Wheaton - Carthage	10,953	185
Cleveland	14,246	44	Tyler - Longview - Jacksonville	12,279	114	Ottawa - Knoxville	10,895	186
Sacramento - Stockton	14,245	45	Great Falls	12,249	116	Blair - Gulfport - Pascagoula	10,888	187
Helena	14,226	46	Youngstown	12,234	117	Jackson, Miss.	10,874	188
Palm Springs	14,218	47	Beaumont - Port Arthur	12,204	118	Brook - Kingsport - Johnson City	10,838	189
Des Moines	14,204	48	San Angelo	12,194	119	Presque Isle	10,782	190
Columbus, Ohio	14,199	49	Bakersfield	12,180	120	Columbus, Ga.	10,704	191
Indianapolis	14,179	50	Tucson	12,166	121	Charleston - Huntington	10,600	192
Dayton	14,163	51	Oklahoma City	12,165	122	Lafayette, La.	10,596	193
Springfield - Decatur - Champaign	14,148	52	Fargo	12,125	123	Johnsboro	10,538	194
Bend	14,029	53	Tulsa	12,118	124	Monroe - El Dorado	10,426	195
Orlando - Daytona Beach - Melbourne	14,009	54	Arvada	12,110	125	Columbus, Superio	10,259	196
Pittsburgh	13,964	55	Little Rock	12,107	126	Alexandria, La.	10,124	197
Lansing	13,916	56	Chattanooga	12,054	127	Menden	10,048	198
Tampa - St. Petersburg	13,712	57	Columbia, S.C.	12,031	128	Cincinnati - Weston	10,025	199
Cheyenne - Scottsbluff - Sterling	13,698	58	Palma - Pinar - Richard - Kennewick	11,992	129	Flagstaff	9,997	200
Wichita - Hutchinson	13,685	59	Eureka	11,987	130	Bluefield - Beckley - Oak Hill	9,980	201
Cedar Rapids - Waterloo - Dubuque	13,684	60	La Crosse - Eau Claire	11,987	130	Laurie - Harrisburg	9,924	202
Syracuse	13,647	61	Bangor	11,981	131	El Paso	9,854	203
Lincoln - Hastings - Kearney	13,570	62	Tucson	11,970	133	El Centro - Yuma	9,838	204
Davenport - Rock Island - Moline	13,556	63	Lake Charles	11,966	134	Albany, Ga.	9,834	205
Greenboro - Winston-Salem - High Point	13,522	64	Knoxville	11,961	135	Andover - Ada	9,439	206
Grand Rapids - Kalamazoo - Battle Creek	13,475	65	Mobile - Pensacola	11,935	136	Greenwood - Greenville	9,428	207
Ft. Wayne	13,468	66	San Francisco	11,932	137	Lynch	9,319	208
Charlotte	13,403	67	Portland	11,924	138	McPherson - Brownsville	9,311	209
Lafayette, Ind.	13,374	68	Lima	11,899	139			
Phoenix	13,340	69	Memphis	11,887	140			
Missoula	13,343	70	Chico - Redding	11,885	141			
						State U.S. ADI	14,687	

1991 Eating Place Sales

ADI	Sales (\$000)	Rank	ADI	Sales (\$000)	Rank	ADI	Sales (\$000)	Rank
New York	12,445,514	1	Las Vegas	602,378	69	Utica	233,040	139
Los Angeles	12,187,468	2	Springfield-Decatur-Champaign	600,927	70	DuQuoin-Superior	231,958	140
Chicago	6,335,340	3	Omaha	591,190	71	Beaumont-Port Arthur	228,492	141
San Francisco-Oakland-San Jose	6,278,190	4	Charleston-Huntington	584,601	72	Wichita Falls-Lawton	227,857	142
Boston	6,003,479	5	Santa Barbara-Santa Maria			Wilmington	226,891	143
Philadelphia	4,411,641	6	San Luis Obispo	575,193	73	Enid	224,308	144
Washington D.C.	3,965,942	7	Spokane	574,047	74	Monroe-ID/Donado	207,817	145
Dallas-Ft. Worth	3,967,919	8	Lexington	569,651	75	Binghamton	199,869	146
Seattle-Tacoma	3,962,587	9	Des Moines	564,374	76	Panama City	196,866	147
Detroit	3,841,422	10	Springfield, Mass.	560,768	77	Bangor	197,750	148
Atlanta	3,079,603	11	Spokane	558,531	78	Rochester-Mason City-Austin	194,271	149
Miami-Ft. Lauderdale	2,936,607	12	Ft. Myers-Naples	555,391	79	Sioux City	193,200	150
Houston	2,858,792	13	Burlington-Plattsburgh	552,104	80	Japan-Pittsburg	188,954	151
Minneapolis-St. Paul	2,907,784	14	Sacramento-Monterey	547,076	81	Waukegan-Staubenville	185,039	152
Cleveland	2,453,285	15	Riverside-Lynchburg	532,294	82	Columbia-Jefferson City	183,682	153
Sacramento-Stockton	2,384,031	16	Columbia S.C.	523,805	83	Oakdale-Wildard	182,127	154
San Diego	2,206,410	17	South Bend-Elkhart	518,689	84	Terre Haute	179,040	155
Denver	2,164,055	18	Madison	515,305	85	Blaine-Gulfport-Pascagoula	178,681	156
Orlando-Daytona Beach-Melbourne	2,094,650	19	Cedar Rapids-Waterloo-Dubuque	485,879	86	Minot-Bornhark-Dickinson-Gardner	165,848	157
Tampa-St. Petersburg	2,076,590	20	Tucson	478,498	87	Genevieve	165,509	158
St. Louis	2,028,703	21	Quincy-Rock Island-Moline	468,227	88	Albany-Ga.	158,539	159
Portland-Ore.	2,007,690	22	Shreveport-Texas	442,761	89	Grand Junction-Durango	155,627	160
Phoenix	1,951,243	23	Huntsville-Decatur-Florence	428,514	90	Idaho Falls-Pocatello	152,821	161
Hartford-New Haven	1,937,819	24	Spokane	422,689	91	Columbus-Tupelo	150,217	162
Indianapolis	1,703,846	25	Chattanooga	421,158	92	Billings-Hardin	148,715	163
Baltimore	1,692,285	26	Charleston S.C.	411,585	93	Alpine-Sweetwater	142,853	164
Pittsburgh	1,399,791	27	Springfield, Mo.	403,598	94	Rapid City	141,017	165
Raleigh-Durham	1,354,090	28	Ft. Wayne	402,528	95	Bluefield-Beckley-Danville	132,323	166
Cincinnati	1,345,261	29	Knoxville	399,847	96	Waterloo-Carthage	132,241	167
Missoula	1,423,545	30	Rocky Mt. Cape Girardeau-Hamilton			Dodan	127,700	168
Kansas City	1,392,010	31	Madison	399,799	97	Moscow	126,130	169
Columbus, Ohio	1,340,575	32	Colorado Springs-Pueblo	398,768	98	Hempstead	114,750	170
Providence-Fry Bedford	1,268,892	33	Lincoln	392,807	99	Quincy-Henrieville	113,986	171
Charlotte	1,239,711	34	Johnstown-Altoona	374,727	100	Idaho Falls-Pocatello	111,167	172
Nashville	1,225,344	35	Indianapolis-Bloomington	374,206	101	Elkhart	110,873	173
San Antonio-Victoria	1,213,219	36	Waco-Temple-Bryan	367,361	102	Clarksville-Weston	107,632	174
New Orleans	1,196,401	37	Evansville	364,209	103	El Centro-Yuma	106,745	175
West Palm Beach-Ft. Pierce			Florence-Myrtle Beach	361,834	104	Alexandria-La	103,030	176
Vero Beach	1,109,530	38	Jackson-Miss.	361,295	105	Laurel-Hattiesburg	101,424	177
Norfolk-Portsmouth-Newport News			Bakersfield	358,350	106	Lafayette-Ind.	99,640	178
Hampton	1,094,141	39	El Paso	352,487	107	Ennis	94,384	179
Greenville-Spartanburg-Ashville	1,070,221	40	Eugene	352,229	108	Charlottesville	93,660	180
Grand Rapids-Kalamazoo			Greenville-New Bern-Washington	335,857	109	Flagstaff	92,312	181
Belle Creek	989,459	41	Lincoln-Hastings-Kearney	334,226	110	Great Falls	89,654	182
Salt Lake City	986,898	42	Baton Rouge	328,815	111	Tomball	86,953	183
Buffalo	986,689	43	Paris	326,023	112	Butte	86,398	184
Jacksonville	983,437	44	Tyler-Longview-Jacksonville	322,931	113	Hempstead	85,181	185
Louisville	950,092	45	Waco-Pasco-Richland-Kennelworth	320,108	114	Lima	79,103	186
Albuquerque	931,164	46	Bristol-Kingsport-Johnson City	318,851	115	Cheyenne-Southplatt-Stirling	78,171	187
Oklahoma City	927,845	47	Augusta	314,492	116	Marquette	75,924	188
Albany-Schenectady-Troy	901,590	48	Tallahassee-Thomsonville	310,336	117	Bend	75,624	189
Harrisburg-York-Lancaster-Lebanon	890,770	49	Salem	306,659	118	Greenwood-Greenville	75,303	190
Dayton	887,978	50	Sioux Falls-Mitchell	304,813	119	San Angelo	74,070	191
Greensboro-Winston-Salem			Fargo	301,767	120	Arvada	71,412	192
High Point	869,039	51	Traverse City-Cadillac	294,625	121	Laredo	69,551	193
Palm Springs	848,562	52	La Crosse-Eau Claire	288,403	122	Johnston	67,689	194
Portland-Rosland Spring	823,238	53	Montgomery-Selma	285,439	123	Adrian-Ada	67,433	195
Frederic-Victoria	786,091	54	Macon	281,721	124	Jackson-Tenn.	66,379	196
Austin-Tex.	771,425	55	Anaheim	281,161	125	St. Joseph	66,153	197
Memphis	760,149	56	Greenville-Charleston	271,449	126	Blowing Rock	66,102	198
Birmingham	730,479	57	Sarasota	271,165	127	Monkton	65,032	199
Wichita-Hutchinson	714,012	58	Lafayette-La.	265,748	128	Casper-Riverton	61,299	200
Wokes-Barre-Saratoga	713,767	59	Madison-Brownsville	263,722	129	Two Falls	60,865	201
Sioux Falls	706,186	60	Chico-Redding	262,038	130	Hagerstown	60,710	202
Tulsa	699,840	61	Wausau-Rhinelander	261,787	131	Zanesville	58,973	203
Fort Snagrow-Rio City	699,685	62	Columbus, Ga.	256,470	132	Manhattan	58,703	204
Mobile-Pensacola	697,983	63	Ft. Smith	255,914	133	Piquette Lake	49,017	205
Richmond	670,908	64	Rockford	254,255	134	Orleansville-Kirkville	32,638	206
Knoxville	665,989	65	Medford	251,685	135	Hesperia	32,380	207
Green Bay-Appleton	663,784	66	Bismarck	247,752	136	North Platte	31,477	208
Rochester-N.Y.	650,262	67	Lubbock	239,406	137	Alpena	17,321	209
Little Rock	637,919	68	Spokane	238,557	138			
						Total U.S. ADI	174,366,620	

1991 Eating Place Units

ADI	Units	Rank	ADI	Units	Rank	ADI	Units	Rank
New York	23,313	1	Springfield - Decatur - Champaign	1,170	71	Minot - Bismarck - Dickinson - Glendive	497	141
Los Angeles	16,126	2	Knoxville	1,168	72	Utica	495	142
Chicago	10,122	3	Palm Springs	1,147	73	Odessa - Midland	487	143
San Francisco - Oakland - San Jose	8,650	4	Roanoke - Lynchburg	1,136	74	Wilmington	487	143
Philadelphia	8,292	5	Burlington - Plattsburgh	1,102	75	Salisbury	486	145
Boston	8,038	6	Springfield, Mo.	1,064	76	Binghamton	484	146
Washington, D.C.	5,827	7	Spokane	1,063	77	Bangor	466	147
Dallas - Ft. Worth	5,388	8	South Bend - Elkhart	1,057	78	Terre Haute	461	148
Detroit	5,252	9	Cedar Rapids - Waterloo - Dubuque	1,025	79	Lafayette, La.	452	149
Atlanta	5,026	10	Lexington	1,002	80	Rochester - Mason City - Austin	448	150
Seattle - Tacoma	4,744	11	Davenport - Rock Island - Moline	997	81	Sarasota	441	151
Cleveland	4,498	12	Paducah - Cape Girardeau - Hannsburg - Marion	983	82	Wheeling - Steubenville	438	152
Miami - Ft. Lauderdale	4,404	13	Madison	967	83	Columbia - Jefferson City	411	153
Houston	4,179	14	Tucson	952	84	Beaumont - Port Arthur	404	154
Minneapolis - St. Paul	4,164	15	Salinas - Monterey	926	85	Idaho Falls - Pocatello	401	155
Denver	3,736	16	Santa Barbara - Santa Maria - San Luis Obispo	899	86	Columbus - Tupelo	399	156
Sacramento - Stockton	3,726	17	Shreveport - Texarkana	897	87	Monroe - El Dorado	371	157
St. Louis	3,507	18	Columbia, S.C.	891	88	Arlene - Sweetwater	353	158
Pittsburgh	3,406	19	Youngstown	877	89	Rapid City	351	159
Tampa - St. Petersburg	3,359	20	Chattanooga	871	90	Blings - Hardin	343	160
Hartford - New Haven	3,261	21	Johnstown - Altoona	867	91	Blount - Gulfport - Pascagoula	341	161
Portland, Ore.	3,100	22	Huntsville - Decatur - Florence	863	92	Albany, Ga.	337	162
San Diego	3,058	23	Lincoln - Hastings - Kearney	860	93	Quincy - Hannibal	328	163
Phoenix	3,041	24	Ft. Myers - Naples	827	94	Panama City	315	164
Indianapolis	2,918	25	Sioux Falls - Mitchell	813	95	Missoula	314	165
Orlando - Daytona Beach - Melbourne	2,853	26	Las Vegas	809	96	Watertown - Carthage	313	166
Baltimore	2,842	27	Springfield, Mass.	807	97	Bluefield - Beckley - Oak Hill	310	167
Milwaukee	2,494	28	Colorado Springs - Pueblo	800	98	Gainesville	304	168
Charlotte	2,389	29	Evansville	783	99	Clarksburg - Weston	298	169
Cincinnati	2,346	30	Ft. Wayne	774	100	Elmira	269	170
Kansas City	2,286	31	Jackson, Miss.	765	101	Great Falls	259	171
Buffalo	2,240	32	Traverse City - Cadillac	759	102	Eureka	257	172
Raleigh - Durham	2,183	33	Fargo	749	103	Laurel - Hattiesburg	247	173
Columbus, Ohio	2,132	34	Peara - Bloomington	746	104	Harrisonburg	242	174
Providence - New Bedford	2,127	35	Waco - Temple - Bryan	736	105	Dothan	232	175
Oklahoma City	2,094	36	Savannah	712	106	El Centro - Yuma	229	176
Nashville	2,045	37	El Paso	700	107	Grand Junction - Durango	226	177
San Antonio - Victoria	2,024	38	Charleston, S.C.	697	108	Jonesboro	221	178
Greenville - Spartanburg - Asheville	1,979	39	Lansing	692	109	Butte	219	179
Norfolk - Portsmouth - Newport News - Hampton	1,967	40	Bristol - Kingsport - Johnson City	659	110	Marquette	205	180
Albany - Schenectady - Troy	1,950	41	Amarillo	658	111	Ardmore - Ada	199	181
Salt Lake City	1,923	42	Corpus Christi	648	112	Greenwood - Greenville	191	182
Grand Rapids - Kalamazoo - Battle Creek	1,884	43	Eugene	648	112	Alexandria, La.	188	183
New Orleans	1,817	44	Florence - Myrtle Beach	647	114	Lake Charles	186	184
Albuquerque	1,799	45	Greenville - New Bern - Washington	627	115	Jackson, Tenn.	182	185
Wilkes-Barre - Scranton	1,746	46	Duluth - Superior	624	116	Lafayette, Ind.	173	186
Harrisburg - York - Lancaster - Lebanon	1,718	47	Wausau - Rhinelander	616	117	Parkersburg	172	187
Greensboro - Winston-Salem - High Point	1,669	48	Baton Rouge	615	118	San Angelo	172	187
Memphis	1,637	49	Tyler - Longview - Jacksonville	614	119	Casper - Riverton	166	189
West Palm Beach - Ft. Pierce - Vero Beach	1,604	50	Ft. Smith	585	120	Tuscaloosa	164	190
Wichita - Hutchinson	1,567	51	Bakersfield	582	121	Charlottesville	162	191
Dayton	1,563	52	La Crosse - Eau Claire	577	122	Flagstaff	152	192
Louisville	1,534	53	Reno	572	123	Lima	152	192
Tulsa	1,481	54	Sioux City	571	124	Meridian	152	192
Jacksonville	1,463	55	McAllen - Brownsville	567	125	Twin Falls	149	195
Portland - Poland Spring	1,423	56	Tallahassee - Thomasville	559	126	Cheyenne - Scottsbluff (Sterling)	146	196
Fresno - Visalia	1,406	57	Augusta	548	127	St. Joseph	144	197
Toledo	1,403	58	Yakima - Pasco - Richland - Kennewick	545	128	Hagerstown	140	198
Birmingham	1,325	59	Chico - Redding	541	129	Bend	127	199
Syracuse	1,321	60	Montgomery - Selma	538	130	Bowling Green	115	200
Flint - Saginaw - Bay City	1,320	61	Medford	538	131	Laredo	111	201
Richmond	1,304	62	Topeka	533	132	Anniston	107	202
Little Rock	1,300	63	Macon	524	133	Manikato	105	203
Green Bay - Appleton	1,271	64	Bose	523	134	Zanesville	98	204
Charleston - Huntington	1,265	65	Lubbock	518	135	Ottumwa - Kirksville	94	205
Austin, Tex.	1,231	66	Wichita Falls - Lawton	517	136	Presque Isle	90	206
Omaha	1,227	67	Joplin - Pittsburg	515	137	Helena	76	207
Mobile - Pensacola	1,224	68	Rockford	513	138	North Platte	66	208
Des Moines	1,218	69	Eno	511	139	Alpena	57	209
Rochester, N.Y.	1,205	70	Columbus, Ga.	503	140			

Total U.S. ADIs 300,998

1991 Fast Food Sales

ADI	Sales (\$000)	Rank	ADI	Sales (\$000)	Rank	ADI	Sales (\$000)	Rank
Los Angeles	4,613,974	1	Springfield - Decatur - Champaign	276,662	69	Blair - Gulfport - Pascagoula	105,778	139
New York	3,206,231	2	Huntsville - Decatur - Florence	275,856	70	Wheeling - Steubenville	100,338	140
Chicago	2,376,964	3	Omaha	262,615	71	Medford	100,125	141
San Francisco - Oakland - San Jose	2,095,888	4	South Bend - Elkhart	258,737	72	Chico - Redding	99,487	142
Boston	1,639,747	5	Roanoke - Lynchburg	254,109	73	Columbus - Tupelo	97,536	143
Dallas - Ft. Worth	1,544,333	6	Las Vegas	251,298	74	Terre Haute	96,230	144
Philadelphia	1,488,472	7	Columbia, S.C.	249,547	75	Joplin - Pittsburg	95,611	145
Atlanta	1,486,787	8	Chattanooga	245,632	76	Columbia - Jefferson City	95,184	146
Washington, D.C.	1,430,732	9	Rochester - N.Y.	244,947	77	Albany, Ga.	91,436	147
Detroit	1,383,167	10	Des Moines	240,267	78	Odessa - Midland	91,166	148
Seattle - Tacoma	1,189,010	11	Green Bay - Appleton	237,829	79	Wausau - Rhinelander	90,544	149
Houston	1,126,626	12	Spokane	237,438	80	Sioux City	85,464	150
Cleveland	1,099,092	13	Shreveport - Texarkana	236,765	81	Ene	85,331	151
Sacramento - Stockton	977,221	14	Paducah - Cape Girardeau - Hannsburg			Duluth - Superior	84,449	152
St. Louis	976,791	15	Manon	232,808	82	Bluefield - Beckley - Oak Hill	80,505	153
Minneapolis - St. Paul	953,802	16	Savannah	224,100	83	Dothan	78,647	154
Miami - Ft. Lauderdale	940,654	17	Davenport - Rock Island - Moline	219,259	84	Minot - Bismarck - Dickinson - Glendive	78,007	155
Indianapolis	906,226	18	Cedar Rapids - Waterloo - Dubuque	211,546	85	Rochester - Mason City - Austin	76,609	156
San Diego	853,084	19	Springfield, Mo.	211,209	86	Panama City	76,446	157
Tampa - St. Petersburg	810,508	20	Tucson	203,946	87	Abilene - Sweetwater	73,686	158
Phoenix	783,374	21	Syracuse	203,559	88	Bangor	71,188	159
Raleigh - Durham	778,604	22	Evansville	199,136	89	Utica	70,700	160
Portland, Ore.	762,013	23	Jackson, Miss.	198,263	90	Idaho Falls - Pocatello	67,929	161
Denver	759,325	24	Santa Barbara - Santa Maria -			Clarksburg - Weston	66,691	162
Orlando - Daytona Beach - Melbourne	757,127	25	San Luis Obispo	197,841	91	Sarasota	66,283	163
Baltimore	706,188	26	Bristol - Kingsport - Johnson City	193,648	92	Laurel - Hattiesburg	65,474	164
Kansas City	673,038	27	Salinas - Monterey	191,840	93	Gainesville	61,948	165
Cincinnati	672,894	28	Madison	189,517	94	Brighampton	61,914	166
Columbus, Ohio	670,597	29	Ft. Wayne	187,921	95	Harrisonburg	61,821	167
Charlotte	651,525	30	Springfield, Mass.	185,480	96	Quincy - Hannibal	60,377	168
Nashville	628,588	31	Bakersfield	185,143	97	Billings - Hardin	58,012	169
Hartford - New Haven	624,264	32	Greenville - New Bern - Washington	184,602	98	Rapid City	55,636	170
Pittsburgh	613,241	33	Ft. Myers - Naples	183,072	99	Lake Charles	55,485	171
San Antonio - Victoria	589,948	34	Youngstown	181,331	100	Alexandria, La.	53,565	172
Milwaukee	540,378	35	Montgomery - Selma	181,284	101	Grand Junction - Durango	52,977	173
Greenville - Spartanburg - Asheville	536,996	36	Florence - Myrtle Beach	177,771	102	Tuscaloosa	52,791	174
Louisville	532,164	37	Waco - Temple - Bryan	174,993	103	Lafayette, Ind.	51,794	175
Norfolk - Portsmouth - Newport News -			Charleston, S.C.	173,489	104	Watertown - Carthage	51,360	176
Hampton	522,842	38	Peoria - Bloomington	171,586	105	Parkersburg	50,917	177
New Orleans	512,708	39	Baton Rouge	169,440	106	Greenwood - Greenville	48,475	178
Jacksonville	500,336	40	Lansing	168,109	107	Missoula	47,721	179
Salt Lake City	491,296	41	Augusta	165,496	108	Aniston	43,353	180
Dayton	465,285	42	Colorado Springs - Pueblo	164,071	109	Bowling Green	43,019	181
Oklahoma City	446,143	43	Tyler - Longview - Jacksonville	163,937	110	Meridian	42,497	182
Providence - New Bedford	445,349	44	El Paso	163,473	111	Charlottesville	40,958	183
Birmingham	417,898	45	Burlington - Plattsburgh	161,298	112	Jonesboro	40,826	184
Albuquerque	416,952	46	Lincoln - Hastings - Kearney	154,114	113	El Centro - Yuma	40,791	185
Greensboro - Winston-Salem -			Macon	152,248	114	Elmira	38,071	186
High Point	411,354	47	Corpus Christi	146,739	115	Ardmore - Ada	37,855	187
Grand Rapids - Kalamazoo -			Columbus, Ga.	146,144	116	Lima	37,560	188
Battle Creek	397,151	48	Johnstown - Altoona	143,168	117	Jackson, Tenn.	37,019	189
Memphis	395,301	49	Amarillo	140,889	118	Flagstaff	36,521	190
Buffalo	378,053	50	Tallahassee - Thomasville	140,775	119	San Angelo	35,889	191
Palm Springs	377,358	51	Eugene	140,671	120	Eureka	35,472	192
Wichita - Hutchinson	360,210	52	Ft. Smith	140,045	121	Great Falls	34,871	193
Mobile - Pensacola	357,716	53	Lafayette, La.	139,592	122	Cheyenne - Scottsbluff (Sterling)	33,069	194
Tulsa	350,284	54	Fargo	138,515	123	Butte	32,690	195
Austin, Tex.	350,278	55	Reno	134,900	124	St. Joseph	32,442	196
Charleston - Huntington	343,793	56	Salisbury	125,020	125	Laredo	32,374	197
Fresno - Visalia	343,470	57	Topeka	124,777	126	Bend	30,855	198
West Palm Beach - Ft. Pierce -			McAllen - Brownsville	122,704	127	Marquette	30,416	199
Vero Beach	339,046	58	Wilmington	122,149	128	Zanesville	29,774	200
Knoxville	336,395	59	Yakima - Pasco - Richland - Kennewick	119,731	129	Twin Falls	27,665	201
Harrisburg - York - Lancaster - Lebanon	334,828	60	Traverse City - Cadillac	118,440	130	Hagerstown	25,581	202
Little Rock	323,284	61	Lubbock	117,381	131	Casper - Riverton	24,694	203
Lexington	321,637	62	Beaumont - Port Arthur	116,603	132	Mankato	18,202	204
Richmond	316,371	63	Sioux Falls - Mitchell	115,879	133	Ottumwa - Kirksville	17,005	205
Toledo	314,989	64	Wichita Falls - Lawton	114,814	134	North Platte	14,500	206
Flint - Saginaw - Bay City	298,765	65	Monroe - El Dorado	111,731	135	Presque Isle	14,371	207
Portland - Poland Spring	289,494	66	Rockford	110,857	136	Helena	12,220	208
Wilkes-Barre - Scranton	285,548	67	Boise	110,071	137	Alpena	6,964	209
Albany - Schenectady - Troy	284,399	68	La Crosse - Eau Claire	105,863	138	Total U.S. ADIs	70,405,600	

1991 Restaurant Sales

ADI	Sales (\$000)	Rank	ADI	Sales (\$000)	Rank	ADI	Sales (\$000)	Rank
New York	6,975,188	1	Spokane	285,648	68	Corpus Christi	96,485	139
Los Angeles	6,383,164	2	Mobile - Pensacola	285,484	69	Southern City	95,079	140
Boston	3,611,997	3	Knoxville	284,690	70	Lubbock	91,802	141
San Francisco - Oakland - San Jose	3,522,178	4	Omaha	278,229	71	Lafayette, La.	90,755	142
Chicago	3,222,139	5	Memphis	275,519	72	Gainesville	89,621	143
Philadelphia	2,342,390	6	Richmond	275,240	73	Topeka	89,302	144
Washington, D.C.	1,973,365	7	Wichita - Hutchinson	275,020	74	Grand Junction - Durango	89,124	145
Seattle - Tacoma	1,914,611	8	Des Moines	271,866	75	Columbus, Ga.	86,399	146
Miami - Ft. Lauderdale	1,670,893	9	Springfield - Decatur - Champaign	267,869	76	Ft. Smith	85,457	147
Detroit	1,576,730	10	Las Vegas	266,154	77	Wilmington	84,110	148
Dallas - Ft. Worth	1,448,212	11	Tulsa	245,679	78	Wichita Falls - Lawton	83,507	149
Minneapolis - St. Paul	1,395,649	12	Cedar Rapids - Waterloo - Dubuque	236,746	79	Beaumont - Port Arthur	82,522	150
Atlanta	1,223,182	13	Birmingham	233,586	80	Minot - Bismarck - Dickinson - Glendive	82,488	151
San Diego	1,182,102	14	Tucson	233,299	81	Billings - Hardin	81,885	152
Denver	1,160,527	15	Roanoke - Lynchburg	224,207	82	Montgomery - Selma	80,980	153
Orlando - Daytona Beach - Melbourne	1,155,332	16	Little Rock	218,152	83	Rapid City	78,341	154
Sacramento - Stockton	1,153,326	17	South Bend - Elkhart	215,073	84	Idaho Falls - Pocatello	76,981	155
Cleveland	1,147,063	18	Davenport - Rock Island - Moline	209,757	85	Columbia - Jefferson City	73,826	156
Houston	1,144,666	19	Columbia, S.C.	198,510	86	Joplin - Pittsburg	73,163	157
Hartford - New Haven	1,078,563	20	Charleston - Huntington	196,907	87	Missoula	70,844	158
Portland, Ore.	1,075,812	21	Lexington	196,832	88	Monroe - El Dorado	70,420	159
Tampa - St. Petersburg	1,073,907	22	Charleston, S.C.	194,704	89	Wheeling - Steubenville	69,963	160
Phoenix	951,873	23	Colorado Springs - Pueblo	194,008	90	Terre Haute	69,361	161
Pittsburgh	798,732	24	Lansing	191,042	91	Watertown - Carthage	69,278	162
St. Louis	765,618	25	Ft. Wayne	190,781	92	Odessa - Midland	69,013	163
Milwaukee	760,064	26	Johnstown - Altoona	190,402	93	El Centro - Yuma	60,151	164
Baltimore	728,202	27	Eugene	187,214	94	Elmira	58,796	165
Providence - New Bedford	708,085	28	Sarasota	184,304	95	Eureka	55,940	166
Cincinnati	706,452	29	Yakima - Pasco - Richland - Kennewick	180,628	96	Albany, Ga.	54,658	167
West Palm Beach - Ft. Pierce			Youngstown	179,480	97	Bloomington - Grafton - Pascagoula	53,912	168
Vero Beach	695,662	30	Southern Falls - Mitchell	172,740	98	Abilene - Sweetwater	52,966	169
Raleigh - Durham	617,765	31	La Crosse - Eau Claire	165,207	99	Flagstaff	50,322	170
Indianapolis	611,051	32	Salisbury	161,775	100	Great Falls	49,288	171
Kansas City	562,646	33	Traverse City - Cadillac	161,532	101	Butte	48,545	172
Columbus, Ohio	556,982	34	Shreveport - Texarkana	161,123	102	Quincy - Hannibal	46,885	173
Grand Rapids - Kalamazoo - Battle Creek	519,252	35	Savannah	160,688	103	Harrisonburg	43,909	174
Albany - Schenectady - Troy	515,216	36	Peoria - Bloomington	160,529	104	Bluefield - Beckley - Oak Hill	42,305	175
New Orleans	503,323	37	Springfield, Mo.	160,257	105	Marquette	41,808	176
Nashville	503,273	38	Wausau - Rhinelander	159,327	106	Charlottesville	41,641	177
Buffalo	491,759	39	Bakersfield	157,837	107	Cheyenne - Scottsbluff (Sterling)	41,344	178
Harrisburg - York - Lancaster - Lebanon	486,175	40	Lincoln - Hastings - Kearney	157,497	108	Bend	40,967	179
Portland - Poland Spring	479,179	41	Reno	154,757	109	Columbus - Tupelo	40,544	180
San Antonio - Victoria	472,298	42	Florence - Myrtle Beach	154,220	110	Lake Charles	39,734	181
Norfolk - Portsmouth - Newport News - Hampton	470,779	43	Fargo	153,646	111	Lafayette, Ind.	38,976	182
Charlotte	463,720	44	Chattanooga	147,853	112	Dothan	38,712	183
Palm Springs	438,472	45	Tallahassee - Thomasville	147,146	113	Alexandria, La.	35,546	184
Albuquerque	428,772	46	El Paso	144,355	114	Lima	34,630	185
Jacksonville	409,305	47	Paducah - Cape Girardeau - Harrisburg - Marion	144,032	115	Casper - Riverton	34,231	186
Salt Lake City	409,223	48	Waco - Temple - Bryan	143,381	116	Clarksburg - Weston	33,363	187
Fresno - Visalia	392,292	49	Chico - Redding	142,447	117	Twin Falls	29,630	188
Greenville - Spartanburg - Asheville	380,482	50	Medford	136,098	118	San Angelo	28,630	189
Green Bay - Appleton	365,867	51	Evansville	135,680	119	Manikato	27,982	190
Flint - Saginaw - Bay City	360,363	52	Duluth - Superior	130,861	120	Hagerstown	27,435	191
Wilkes-Barre - Scranton	359,985	53	Utica	127,226	121	Laredo	27,411	192
Santa Barbara - Santa Maria - San Luis Obispo	353,626	54	Greenville - New Bern - Washington	124,044	122	Laurel - Hattiesburg	27,308	193
Dayton	346,944	55	Jackson, Miss.	122,819	123	Parkersburg	27,164	194
Burlington - Plattsburgh	344,050	56	Boise	121,304	124	St. Joseph	26,687	195
Louisville	340,439	57	Tyler - Longview - Jacksonville	121,166	125	Tuscaloosa	26,129	196
Oklahoma City	338,866	58	Huntsville - Decatur - Florence	119,413	126	Jackson, Tenn.	24,519	197
Springfield, Mass.	332,150	59	Rockford	117,229	127	Zanesville	24,363	198
Ft. Myers - Naples	330,887	60	Baton Rouge	115,748	128	Presque Isle	23,018	199
Toledo	329,425	61	Enid	114,127	129	Jonesboro	22,383	200
Salinas - Monterey	328,429	62	Bangor	114,032	130	Anniston	21,459	201
Austin, Tex.	326,677	63	Augusta	109,244	131	Ardmore - Ada	21,082	202
Greensboro - Winston-Salem - High Point	325,186	64	Binghamton	108,186	132	Greenwood - Greenville	20,539	203
Rochester, N.Y.	311,472	65	Amarillo	107,957	133	Bowling Green	19,301	204
Madison	297,366	66	Panama City	106,926	134	Helena	18,142	205
Syracuse	291,076	67	Rochester - Mason City - Austin	104,411	135	Mendota	17,383	206
			McAllen - Brownsville	103,663	136	North Platte	15,109	207
			Macon	102,126	137	Ottumwa - Kirksville	14,021	208
			Bristol - Kingsport - Johnson City	97,157	138	Alpena	9,497	209
						Total U.S. ADIs	84,980,325	

1991 Restaurant Activity Index

ADI	RAI	Rank	ADI	RAI	Rank	ADI	RAI	Rank
Annisston	176	1	Greensboro - Winston-Salem - High Point	97	69	Jackson, Miss.	80	140
Salem, Ore.	156	2	Bend	96	72	New Orleans	80	140
San Francisco - Oakland - San Jose	141	3	Knoxville	96	72	Philadelphia	80	140
Los Angeles	133	4	Norfolk - Portsmouth - Newport News			Rochester - Mason City - Austin	80	140
San Diego	132	5	Hampton	96	72	Springfield, Mo.	80	140
Salinas - Monterey	130	6	Rockford	96	72	Tulsa	80	140
Lafayette, Ind.	129	7	Savannah	96	72	Great Falls	79	148
Indianapolis	128	8	Oklahoma City	95	77	Harrisburg	79	148
Detroit	127	9	Charlotte	94	78	Minot - Bismarck - Dickinson - Glendive	79	148
Columbus, Ohio	126	10	Dallas - Ft. Worth	94	78	Pittsburgh	79	148
Boston	125	11	Eureka	94	78	Roanoke - Lynchburg	79	148
Raleigh - Durham	124	12	Charleston, S.C.	93	81	Salt Lake City	79	148
Chicago	123	13	Flint - Saginaw - Bay City	93	81	Spokane	79	148
Atlanta	122	14	Fresno - Visalia	93	81	Albany - Schenectady - Troy	77	155
Grand Junction - Durango	120	15	Tampa - St. Petersburg	93	81	Paducah - Cape Girardeau - Harrisburg		
Portland, Ore.	119	16	Wichita - Hutchinson	93	81	Manion	77	155
Lansing	118	17	Las Vegas	92	86	Quincy - Hannibal	77	155
Miami - Ft. Lauderdale	118	17	Panama City	92	86	Beaumont - Port Arthur	76	158
Orlando - Daytona Beach - Melbourne	118	17	San Antonio - Victoria	92	86	Buffalo	76	158
Santa Barbara - Santa Maria			Wichita Falls - Lawton	92	86	Little Rock	76	158
San Luis Obispo	118	17	Burlington - Plattsburgh	91	90	Marquette	76	158
Washington, D.C.	117	21	Cedar Rapids - Waterloo - Dubuque	91	90	Tyler - Longview - Jacksonville	76	158
Springfield, Mass.	116	22	Macon	91	90	Waco - Temple - Bryan	76	158
Providence - New Bedford	114	23	Youngstown	91	90	Billings - Hardin	75	164
Milwaukee	113	24	Birmingham	90	94	Des Moines	75	164
Seattle - Tacoma	113	24	Columbia - Jefferson City	90	94	Duluth - Superior	75	164
Sarasota	112	26	Davenport - Rock Island - Moline	90	94	Syracuse	75	164
Springfield - Decatur - Champaign	111	27	Medford	90	94	Traverse City - Cadillac	75	164
Hartford - New Haven	109	28	New York	90	94	El Centro - Yuma	73	169
Jacksonville	109	28	Austin, Tex.	89	99	Idaho Falls - Pocatello	73	169
Madison	109	28	Butte	89	99	Rochester, N.Y.	73	169
Bakersfield	108	31	Lexington	89	99	Casper - Riverton	72	172
Cincinnati	108	31	Lincoln - Hastings - Kearney	89	99	Charleston - Huntington	72	172
Ft. Wayne	108	31	Gainesville	88	103	Ft. Smith	72	172
St. Louis	108	31	Rapid City	88	103	Southern City	71	175
Dayton	107	35	Reno	88	103	Wheeling - Steubenville	71	175
Grand Rapids - Kalamazoo			Wilmington	88	103	Hagerstown	70	177
Battle Creek	107	35	Charlottesville	87	107	Johnstown - Altoona	70	177
Minneapolis - St. Paul	107	35	St. Joseph	87	107	Wilkes-Barre - Scranton	70	177
South Bend - Elkhart	107	35	Bowling Green	86	109	Helena	69	180
Eugene	106	39	Chattanooga	86	109	Watertown - Carthage	69	180
Florence - Myrtle Beach	106	39	Huntsville - Decatur - Florence	86	109	Bangor	68	182
La Crosse - Eau Claire	106	39	Tucson	86	109	Bristol - Kingsport - Johnson City	68	182
West Palm Beach - Ft. Pierce - Vero Beach	106	39	Utica	86	109	Corpus Christi	68	182
Denver	105	43	Abilene - Sweetwater	85	114	Laurel - Hattiesburg	68	182
Kansas City	105	43	Columbus, Ga.	85	114	Binghamton	66	186
Bloomington - Gulfport - Pascagoula	104	45	El Paso	85	114	Shreveport - Texarkana	66	186
Cheyenne - Scottsbluff (Sterling)	104	45	Lubbock	85	114	Jackson, Tenn.	65	188
Nashville	104	45	Memphis	85	114	Alexandria, La.	63	189
Palm Springs	104	45	Phoenix	85	114	Ottumwa - Kirksville	63	189
Flagstaff	103	49	San Angelo	85	114	Elmira	62	191
Louisville	103	49	Southern Falls - Mitchell	85	114	Clarksburg - Weston	61	192
Sacramento - Stockton	103	49	Terre Haute	85	114	Mankato	61	192
Tuscaloosa	102	52	Greenville - Spartanburg - Asheville	83	123	Laredo	60	194
Portland - Poland Spring	101	53	Joplin - Pittsburg	83	123	McAllen - Brownsville	60	194
Topeka	101	53	Parkersburg	83	123	Alpena	59	196
Zanesville	101	53	Boise	82	126	Columbus - Tupelo	59	196
Baltimore	100	56	Dothan	82	126	Greenwood - Greenville	59	196
Columbia, S.C.	100	56	Erie	82	126	Lake Charles	58	199
Toledo	100	56	Fargo	82	126	Mendota	58	199
Colorado Springs - Pueblo	99	59	Greenville - New Bern - Washington	82	126	Oleska - Midland	58	199
Mobile - Pensacola	99	59	Montgomery - Selma	82	126	Lafayette, La.	57	202
North Platte	99	59	Tallahassee - Thomasville	82	126	Albany, Ga.	56	203
Peoria - Bloomington	99	59	Amarillo	81	133	Presque Isle	56	203
Wausau - Rhineclander	99	59	Augusta	81	133	Monroe - El Dorado	55	205
Albuquerque	98	64	Chico - Redding	81	133	Ardmore - Ada	53	206
Ft. Myers - Naples	98	64	Houston	81	133	Baton Rouge	53	206
Lima	98	64	Missoula	81	133	Bluefield - Beckley - Oak Hill	52	208
Omaha	98	64	Richmond	81	133	Jonesboro	51	209
Twin Falls	98	64	Yakima - Pasco - Richland - Kennewick	81	133			
Cleveland	97	69	Evansville	80	140			
Green Bay - Appleton	97	69	Harrisburg - York - Lancaster - Lebanon	80	140			

Total U.S. ADI 99

1991 Restaurant Growth Index

ADI	RGI	Rank	ADI	RGI	Rank	ADI	RGI	Rank
Las Vegas	443	1	Lafayette, La	94	71	South Bend - Elkhart	80	140
Reno	243	2	Memphis	94	71	Spokane	80	140
Philadelphia	131	3	Mobile - Pensacola	94	71	Charleston - Huntington	79	144
Washington, D.C.	130	4	Springfield, Mass.	94	71	Elmira	79	144
Houston	124	5	Tampa - St. Petersburg	94	71	Jackson, Tenn.	79	144
Baton Rouge	122	6	Tuscaloosa	94	71	Wheeling - Steubenville	79	144
Orlando - Daytona Beach - Melbourne	122	6	Dayton	93	77	Wichita - Hutchinson	79	144
Dallas - Ft. Worth	115	8	El Paso	93	77	Billings - Hardin	78	149
Palm Springs	113	9	Flagstaff	93	77	Laurel - Hattiesburg	78	149
Baltimore	112	10	Ft. Myers - Naples	93	77	Casper - Riverton	77	151
Minneapolis - St. Paul	112	10	Hagerstown	93	77	Erie	77	151
San Diego	112	10	Cleveland	92	82	Ft. Smith	77	151
Chicago	111	13	Dothan	92	82	Waco - Temple - Bryan	77	151
Harrisburg - York - Lancaster - Lebanon	111	13	Ft. Wayne	92	82	Zanesville	77	151
Lake Charles	111	13	Greensboro - Winston-Salem - High Point	92	82	Bend	76	156
Los Angeles	110	16	Knoxville	92	82	Buffalo	76	156
Harrisburg	108	17	Savannah	92	82	Lima	76	156
Kansas City	108	17	Lafayette, Ind.	91	88	Lincoln - Hastings - Kearney	76	156
Detroit	107	19	Peoria - Bloomington	91	88	Panama City	76	156
Nashville	107	19	Sacramento - Stockton	91	88	St. Joseph	76	156
Phoenix	107	19	Shreveport - Texarkana	91	88	Wilkes-Barre - Scranton	76	156
Richmond	107	19	Yakima - Pasco - Richland - Kennewick	91	88	Terre Haute	75	163
Salt Lake City	107	19	Binghamton	90	93	Tulsa	75	163
Boston	106	24	Des Moines	90	93	McAllen - Brownsville	74	165
Lansing	106	24	Grand Junction - Durango	90	93	Sarasota	74	165
Rochester, N.Y.	106	24	Greenville - Spartanburg - Asheville	90	93	Sioux Falls - Mitchell	74	165
Anneston	105	27	Portland, Ore.	90	93	Utica	74	165
Jacksonville	105	27	Rockford	90	93	Wilmington	74	165
New York	105	27	Flint - Saginaw - Bay City	89	99	Youngstown	74	165
Raleigh - Durham	105	27	Fresno - Visalia	89	99	Fargo	73	171
Augusta	104	31	Gainesville	89	99	Manikato	73	171
New Orleans	104	31	Green Bay - Appleton	89	99	Rapid City	73	171
San Francisco - Oakland - San Jose	104	31	Little Rock	89	99	Eugene	72	174
Bristol - Kingsport - Johnson City	103	34	Omaha	89	99	Minot - Bismarck - Dickinson - Glendive	72	174
Columbus, Ohio	103	34	Parkersburg	88	105	Chico - Redding	71	176
Hartford - New Haven	103	34	Salinas - Monterey	88	105	Corpus Christi	71	176
Milwaukee	103	34	Springfield - Decatur - Champaign	88	105	Jonesboro	71	176
Atlanta	102	38	Columbia - Jefferson City	87	108	Tyler - Longview - Jacksonville	71	176
Bowling Green	102	38	Greenville - New Bern - Washington	87	108	Wausau - Rhinelander	71	176
St. Louis	102	38	San Antonio - Victoria	87	108	Bangor	70	181
Tallahassee - Thomasville	102	38	Bluefield - Beckley - Oak Hill	86	111	Johnstown - Altoona	70	181
Birmingham	101	42	Chattanooga	86	111	Ottumwa - Kirksville	70	181
Cincinnati	101	42	Evansville	86	111	Paducah - Cape Girardeau - Harrisburg - Marion	70	181
Monroe - El Dorado	101	42	Laredo	86	111	Wichita Falls - Lawton	70	181
Beaumont - Port Arthur	100	45	Pittsburgh	86	111	Quincy - Hannibal	69	186
Miami - Ft. Lauderdale	100	45	Tucson	86	111	Salisbury	69	186
Alexandria, La.	99	47	Cheyenne - Scottsbluff (Sterling)	85	117	Springfield, Mo.	69	186
Charlotte	99	47	Idaho Falls - Pocatello	85	117	Clarksburg - Weston	68	189
Charlottesville	99	47	Rochester - Mason City - Austin	85	117	Oklahoma City	68	189
Grand Rapids - Kalamazoo - Battle Creek	99	47	Albany - Schenectady - Troy	84	120	Duluth - Superior	67	191
Jackson, Miss.	99	47	Albuquerque	84	120	Great Falls	67	191
Louisville	99	47	Boise	84	120	Lubbock	67	191
Norfolk - Portsmouth - Newport News - Hampton	99	47	Burlington - Plattsburgh	84	120	Sioux City	67	191
Seattle - Tacoma	99	47	Cedar Rapids - Waterloo - Dubuque	84	120	Twin Falls	66	195
Columbus - Tupelo	98	55	Colorado Springs - Pueblo	84	120	Watertown - Carthage	66	195
Macon	98	55	Columbus, Ga.	84	120	Butte	65	197
Montgomery - Selma	98	55	Florence - Myrtle Beach	84	120	Odessa - Midland	65	197
Albany, Ga.	97	58	Biloxi - Gulfport - Pascagoula	83	128	Amarillo	63	199
Austin, Tex.	97	58	Santa Barbara - Santa Maria - San Luis Obispo	83	128	Missoula	63	199
Columbia, S.C.	97	58	North Platte	82	130	Ardmore - Ada	62	201
Roanoke - Lynchburg	97	58	Portland - Poland Spring	82	130	San Angelo	62	201
Charleston, S.C.	96	62	Syracuse	82	130	Abilene - Sweetwater	61	203
Huntsville - Decatur - Florence	96	62	Topoka	82	130	Eureka	60	204
Lexington	96	62	Denver - Rock Island - Moline	81	134	Joplin - Pittsburg	60	204
Madison	96	62	El Centro - Yuma	81	134	Medford	60	204
West Palm Beach - Ft. Pierce - Vero Beach	96	62	Helena	81	134	Marquette	59	207
Blacksburg	95	67	Presque Isle	81	134	Traverse City - Cadillac	59	207
Denver	95	67	Providence - New Bedford	81	134	Alpena	57	209
Indianapolis	95	67	Toledo	81	134			
Mendota	95	67	Greenwood - Greenville	80	140			
			La Crosse - Eau Claire	80	140			
						Total U.S. Adis	100	

1991 Population Per Unit

ADI	Pop. Per Unit	Rank	ADI	Pop. Per Unit	Rank	ADI	Pop. Per Unit	Rank
Laredo	1,342	1	Blow - Gulfport - Pascagoula	886	73	Des Moines	786	142
Alexandria, La	1,338	2	Jackson, Tenn.	886	73	Springfield, Mo.	785	143
McAllen - Brownsville	1,294	3	Roanoke - Lynchburg	886	73	Topeka	785	143
Monroe - El Dorado	1,289	4	Dallas - Ft. Worth	885	76	Davenport - Rock Island - Moline	784	145
Lake Charles	1,248	5	Columbia - Jefferson City	882	77	Atlanta	783	146
Baton Rouge	1,191	6	Johnstown - Altoona	882	77	Corpus Christi	783	146
Columbus - Tupelo	1,189	7	Binghamton	880	79	Tulsa	782	148
Mendota	1,187	8	Kansas City	879	80	Rochester - Mason City - Austin	781	149
Lafayette, La	1,168	9	Chattanooga	878	81	Minneapolis	780	150
Bluefield - Beckley - Oak Hill	1,159	10	Elmira	878	81	Odessa - Midland	775	151
Greenwood - Greenville	1,151	11	Evansville	878	81	Omaha	772	152
Palm Springs	1,125	12	Hagerstown	876	84	South Bend - Elkhart	772	152
Bristol - Kingsport - Johnson City	1,120	13	Greenville - Spartanburg - Asheville	874	85	Gainesville	771	154
Shreveport - Texarkana	1,118	14	Philadelphia	874	85	Seattle - Tacoma	767	155
Annisson	1,091	15	Columbus, Ohio	871	87	Lafayette, Ind.	765	156
El Paso	1,090	16	Paducah - Cape Girardeau - Hannsburg -			Miami - Ft. Lauderdale	765	156
Albany, Ga.	1,086	17	Manon	870	88	Fargo	763	158
Montgomery - Selma	1,083	18	Cincinnati	866	89	Hartford - New Haven	763	158
Bowling Green	1,068	19	Jacksonville	864	90	Utica	762	160
Jackson, Miss.	1,067	20	Parkersburg	864	90	Portland, Ore.	756	161
Augusta	1,066	21	Pittsburgh	863	92	Cheyenne - Scottsbluff (Sterling)	753	162
Birmingham	1,043	22	Tucson	863	92	Madison	752	163
Beaumont - Port Arthur	1,038	23	Norfolk - Portsmouth - Newport News -			Marquette	740	164
Las Vegas	1,038	23	Hampton	860	94	Minot - Bismarck - Dickinson - Glendive	735	165
Dothan	1,035	25	Sacramento - Stockton	860	94	Lubbock	731	166
Greenville - New Bern - Washington	1,032	26	Ft. Smith	858	96	Syracuse	730	167
Fresno - Visalia	1,026	27	Los Angeles	858	96	Lima	728	168
Laurel - Hattiesburg	1,018	28	Dayton	856	98	Buffalo	726	169
Columbus, Ga.	1,004	29	San Diego	852	99	Lincoln - Hastings - Kearney	724	170
Memphis	1,003	30	Zanesville	842	100	Providence - New Bedford	722	171
Bakersfield	999	31	Springfield, Mass.	841	101	Sioux City	722	171
Charleston - Huntington	999	31	St. Louis	840	102	Bangor	719	173
El Centro - Yuma	999	31	Quincy - Hannibal	839	103	Wausau - Rhinelander	717	174
Salt Lake City	991	34	Rochester, N.Y.	837	104	Alpena	716	175
Houston	980	35	Boston	835	105	Boston	715	176
Macon	973	36	Cleveland	835	105	Sioux Falls - Mitchell	709	177
Waco - Temple - Bryan	973	36	Milwaukee	834	107	Grand Junction - Durango	704	178
Lexington	971	38	Orlando - Daytona Beach - Melbourne	834	107	Denver	703	179
Tallahassee - Thomasville	969	39	Washington, D.C.	833	109	Oklahoma City	703	179
Presque Isle	958	40	Charlotte	831	110	Wichita - Hutchinson	702	181
Jonesboro	953	41	Albuquerque	828	111	Duluth - Superior	692	182
Harrisonburg	949	42	St. Joseph	828	111	Salinas - Monterey	692	182
Louisville	942	43	Ft. Wayne	826	113	Albany - Schenectady - Troy	686	184
Flint - Saginaw - Bay City	937	44	Watertown - Carthage	823	114	Eugene	686	184
Nashville	935	45	West Palm Beach - Ft. Pierce -			Joplin - Pittsburg	686	184
Tuscaloosa	935	45	Vero Beach	823	114	Charlottesville	681	187
Columbia, S.C.	932	47	Wichita Falls - Lawton	821	116	Amarillo	680	188
Savannah	931	48	Arlene - Sweetwater	818	117	North Platte	680	188
Huntsville - Decatur - Florence	929	49	Youngstown	818	117	Rapid City	679	190
Ottumwa - Kirksville	928	50	Ft. Myers - Naples	817	119	San Francisco - Oakland - San Jose	675	191
Ardmore - Ada	926	51	Panama City	817	119	Burlington - Plattsmouth	673	192
Charleston, S.C.	924	52	Idaho Falls - Pocatello	816	121	Santa Barbara - Santa Maria -		
New Orleans	922	53	Colorado Springs - Pueblo	812	122	San Luis Obispo	672	193
Knoxville	921	54	Green Bay - Appleton	812	122	Medford	666	194
Baltimore	919	55	Greensboro - Winston-Salem - High Point	810	124	Flagstaff	664	195
Little Rock	918	56	Rockford	809	125	Twin Falls	663	196
Grand Rapids - Kalamazoo - Battle Creek	917	57	Chico - Redding	808	126	Casper - Riverton	654	197
Mobile - Pensacola	917	57	New York	805	127	Great Falls	654	197
Lansing	915	59	Wilmington	805	127	Billings - Hardin	653	199
Wheeling - Steubenville	912	60	Enid	803	129	Florence - Myrtle Beach	653	199
Raleigh - Durham	911	61	Austin, Tex.	798	130	Sarasota	653	199
Tyler - Longview - Jacksonville	902	62	Besse	798	130	Traverse City - Cadillac	641	202
Phoenix	897	63	Indianapolis	798	130	Helena	634	203
Clarksburg - Weston	895	64	Piano	797	133	Portland - Poland Spring	632	204
Detroit	893	65	Springfield - Decatur - Champaign	795	134	Bend	614	205
Minneapolis - St. Paul	893	65	Wilkes-Barre - Scranton	793	135	Missoula	614	205
Tampa - St. Petersburg	893	65	La Crosse - Eau Claire	790	136	Butte	584	207
Yakima - Pasco - Richland - Kennewick	893	65	San Angelo	790	136	Eureka	561	208
Richmond	892	69	Spokane	789	138	Salisbury	521	209
Terre Haute	892	69	Cedar Rapids - Waterloo - Dubuque	788	139			
Harrisburg - York - Lancaster - Lebanon	891	71	Peoria - Bloomington	788	139			
San Antonio - Victoria	890	72	Toledo	787	141			
						Total U.S. ADIs	837	

1991 Per Capita Eating Place Sales

ADI	Per Capita Sales	Rank	ADI	Per Capita Sales	Rank	ADI	Per Capita Sales	Rank
Salisbury	1,211	1	Wichita - Hutchinson	649	70	Augusta	538	142
San Francisco - Oakland - San Jose	1,051	2	Baltimore	648	72	Bowling Green	538	142
Boston	1,045	3	Norfolk - Portsmouth - Newport News - Hampton	647	73	Duluth - Superior	537	144
Grand Junction - Durango	978	4	Springfield - Decatur - Champaign	646	74	Wichita Falls - Lawton	537	144
Bend	970	5	Nashville	641	75	Lincoln - Hastings - Kearney	536	146
San Luis Obispo	953	6	Toledo	640	76	Corpus Christi	535	147
Sarasota	942	7	Charleston, S.C.	639	77	Huntsville - Decatur - Florence	535	147
Seattle - Tacoma	924	8	Savannah	638	78	Joplin - Pittsburg	535	147
Portland - Poland Spring	916	9	Peoria - Bloomington	637	79	Dothan	532	150
Flagstaff	915	10	Greensboro - Winston-Salem - High Point	636	80	Evansville	530	151
Los Angeles	881	11	South Bend - Elkhart	636	80	Great Falls	530	151
Orlando - Daytona Beach - Melbourne	881	11	La Crosse - Eau Claire	633	82	Roanoke - Lynchburg	529	153
Miami - Ft. Lauderdale	872	13	Eureka	632	83	Birmingham	528	154
Florence - Myrtle Beach	861	14	Lubbock	632	83	Fargo	528	154
Portland, Ore.	855	15	Columbia, S.C.	630	85	Sioux Falls - Mitchell	528	154
Salinas - Monterey	854	16	Oklahoma City	630	85	Greenville - New Bern - Washington	519	157
Charlottesville	849	17	Ft. Wayne	629	87	Salt Lake City	518	158
San Diego	847	18	Amarillo	628	88	Wilkes-Barre - Scranton	516	159
West Palm Beach - Ft. Pierce - Vero Beach	840	19	Albuquerque	625	89	Waco - Temple - Bryan	514	160
Denver	832	20	Charlotte	625	89	Watertown - Carthage	513	161
Providence - New Bedford	826	21	Rochester, N.Y.	625	89	Ft. Smith	510	162
Springfield, Mass.	826	21	Green Bay - Appleton	624	92	Little Rock	509	163
Ft. Myers - Naples	822	23	Omaha	624	92	Columbus, Ga.	508	164
Washington, D.C.	817	24	Mobile - Pensacola	622	94	Columbia - Jefferson City	507	165
Eugene	792	25	Knoxville	619	95	Lafayette, La.	503	166
Austin, Tex.	785	26	Utica	618	96	Marquette	501	167
Atlanta	783	27	Bakersfield	616	97	Harrisonburg	500	168
Raleigh - Durham	782	28	Twin Falls	616	97	Hagerstown	495	169
Hartford - New Haven	779	29	Colorado Springs - Pueblo	614	99	Abilene - Sweetwater	494	170
Jacksonville	778	30	Rockford	613	100	Johnstown - Altoona	490	171
Panama City	773	31	Aniston	612	101	Montgomery - Selma	490	171
Cincinnati	758	32	Philadelphia	609	102	Odessa - Midland	483	173
Lafayette, Ind.	753	33	Buffalo	606	103	Springfield, Mo.	483	173
Chicago	750	34	Traverse City - Cadillac	606	103	Lake Charles	479	175
Dallas - Ft. Worth	748	35	Tulsa	605	105	Binghamton	470	176
Burlington - Plattsburgh	745	36	Lansing	604	106	Elmira	469	177
Indianapolis	732	37	Cedar Rapids - Waterloo - Dubuque	602	107	Sioux City	469	177
Columbus, Ohio	722	38	Chico - Redding	599	108	Paducah - Cape Girardeau - Harrisburg - Marion	468	179
Las Vegas	718	39	Markato	595	109	Idaho Falls - Pocatello	467	180
Lima	715	40	Syracuse	595	109	Laredo	467	180
Phoenix	715	40	Davenport - Rock Island - Moline	594	111	Presque Isle	464	182
Reno	715	40	Boise	593	112	Charleston - Huntington	463	183
New Orleans	714	43	Wausau - Rhinelander	593	112	Memphis	463	183
Detroit	713	44	Rapid City	592	114	Wheeling - Steubenville	463	183
Cheyenne - Scottsbluff (Sterling)	711	45	Bloom - Gullport - Pascagoula	591	115	El Centro - Yuma	462	186
Madison	709	46	Bangor	590	116	El Paso	462	186
Sacramento - Stockton	707	47	Des Moines	590	116	Minot - Bismarck - Dickinson - Grandview	454	188
Gainesville	706	48	Lexington	585	118	Baton Rouge	449	189
Medford	706	48	Greenville - Spartanburg - Asheville	584	119	Jackson, Miss.	443	190
Zanesville	704	50	Tyler - Longview - Jacksonville	583	120	Shreveport - Texarkana	442	191
Minneapolis - St. Paul	701	51	Harrisburg - York - Lancaster - Lebanon	582	121	Terre Haute	435	192
North Platte	701	51	Tucson	582	121	Monroe - El Dorado	434	193
Tampa - St. Petersburg	693	53	Wilmington	579	123	Albany, Ga.	433	194
Kansas City	688	54	Richmond	577	124	Bristol - Kingsport - Johnson City	432	195
St. Louis	688	54	Grand Rapids - Kalamazoo - Battle Creek	573	125	Alajuela	425	196
Milwaukee	684	56	Parkersburg	573	125	Quincy - Hannibal	414	197
Bufile	675	57	Tallahassee - Thomasville	573	125	Jackson, Tenn.	412	198
Albany - Schenectady - Troy	674	58	Topeka	570	128	Alexandria, La.	410	199
San Antonio - Victoria	674	58	Tuscaloosa	567	129	Clarksburg - Weston	404	200
Holston	672	60	Flint - Saginaw - Bay City	566	130	Laurel - Hattiesburg	403	201
Spokane	666	61	Casper - Riverton	564	131	Ottumwa - Kirksville	374	202
Billings - Hardin	664	62	Youngstown	557	132	Bluefield - Beckley - Oak Hill	368	203
Dayton	664	62	Rochester - Mason City - Austin	555	133	Anytown - Ada	366	204
New York	663	64	St. Joseph	555	133	Meridian	360	205
Palm Springs	658	65	Macon	553	135	McAllen - Brownsville	359	206
Louisville	657	66	Chattanooga	551	136	Greenwood - Greenville	343	207
Yakima - Pasco - Richland - Kennewick	657	66	Erie	547	137	Jonesboro	321	208
Missoula	654	68	Beaumont - Port Arthur	545	138	Columbus - Tupelo	317	209
Cleveland	653	69	Fresno - Visalia	545	138			
Houston	649	70	San Angelo	545	138			
			Pittsburgh	542	141			
						Total U.S. ADI	692	

1991 Per Capita Fast Food Sales

ADI	Per Capita Sales	Rank	ADI	Per Capita Sales	Rank	ADI	Per Capita Sales	Rank
Salisbury	494	1	Tyler - Longview - Jacksonville	296	70	Missoula	248	141
Florence - Myrtle Beach	421	2	Detroit	295	72	Tucson	248	141
Bend	396	3	Washington, D.C.	295	72	Lincoln - Hastings - Kearney	247	143
Jacksonville	396	3	Ft. Wayne	294	74	Yakima - Pasco - Richland - Kennewick	246	144
Raleigh - Durham	392	5	Palm Springs	293	75	Traverse City - Cadillac	244	145
Lafayette, Ind.	391	6	Cleveland	292	76	Waco - Temple - Bryan	244	145
Indianapolis	389	7	Peoria - Bloomington	292	76	Jackson, Miss.	243	147
Atlanta	378	8	Columbus, Ga.	290	78	Rochester, N.Y.	243	147
Anniston	371	9	Evansville	290	78	Fargo	242	149
Charlottesville	371	9	Providence - New Bedford	290	78	Flint - Saginaw - Bay City	242	149
Louisville	368	11	Corpus Christi	289	81	Odessa - Midland	242	149
Flagstaff	362	12	Denver	289	81	Memphis	241	152
Columbus, Ohio	361	13	Phoenix	287	83	Lake Charles	239	153
Zanesville	361	13	Boston	285	84	Fresno - Visalia	238	154
Austin, Tex.	357	15	Greenville - New Bern - Washington	285	84	Eureka	237	155
San Francisco - Oakland - San Jose	351	16	Toledo	285	84	Mendota	236	156
Bloom - Gulfport - Pascagoula	350	17	Augusta	283	87	Shreveport - Texarkana	236	156
Bowling Green	350	17	Spokane	283	87	Monroe - El Dorado	234	158
Dayton	348	19	Chicago	281	89	Terre Haute	234	158
Huntsville - Decatur - Florence	344	20	Medford	281	89	Rapid City	233	160
Tuscaloosa	344	20	Albuquerque	280	91	Buffalo	232	161
Parkersburg	343	22	Davenport - Rock Island - Moline	280	91	La Crosse - Eau Claire	232	161
Uma	340	23	Twin Falls	280	91	Baton Rouge	231	163
Savannah	338	24	Ft. Smith	279	94	Green Bay - Appleton	231	163
Kansas City	335	25	Miami - Ft. Lauderdale	279	94	Grand Rapids - Kalamazoo - Battle Creek	230	165
Grand Junction - Durango	333	26	Beaumont - Port Arthur	278	96	Jackson, Tenn.	230	165
Los Angeles	333	26	Omaha	277	97	Sarasota	230	165
St. Louis	332	28	Houston	275	98	Chico - Redding	228	168
Cincinnati	331	29	Springfield, Mass.	273	99	Casper - Riverton	227	169
Lexington	331	29	Charleston - Huntington	272	100	Bluefield - Beckley - Oak Hill	224	170
Nashville	329	31	Paducah - Cape Girardeau - Hannsburg			Mankato	222	171
Charlotte	328	32	Manon	272	100	Greenwood - Greenville	221	172
San Antonio - Victoria	328	32	Richmond	272	100	Harrisburg - York - Lancaster - Lebanon	219	173
San Diego	328	32	St. Joseph	272	100	Quincy - Hannibal	219	173
Santa Barbara - Santa Maria			Ft. Myers - Naples	271	104	Rochester - Mason City - Austin	219	173
San Luis Obispo	328	32	Joplin - Pittsburg	271	104	Burlington - Plattsburgh	218	176
Dothan	327	36	Little Rock	271	104	Laredo	217	177
Seattle - Tacoma	327	36	Wichita Falls - Lawton	271	104	El Paso	214	178
Wichita - Hutchinson	327	36	Baltimore	270	108	Albany - Schenectady - Troy	213	179
Portland, Ore.	325	39	Tampa - St. Petersburg	270	108	Alexandria, La.	213	179
Dallas - Ft. Worth	324	40	Charleston, S.C.	269	110	Bangor	213	179
North Platte	323	41	Harrisburg	269	110	Minot - Bismarck - Dickinson - Glendive	213	179
Portland - Poland Spring	322	42	Rockford	267	112	Syracuse	211	183
Chattanooga	321	43	Lansing	265	113	Pittsburgh	209	184
Mobile - Pensacola	319	44	Bose	264	114	Erie	208	185
Bakersfield	318	45	Gainesville	264	114	Hagerstown	208	185
Orlando - Daytona Beach - Melbourne	318	45	Lafayette, La.	264	114	Idaho Falls - Pocatello	207	187
South Bend - Elkhart	317	47	San Angelo	264	114	Sioux City	207	187
Eugene	316	48	Columbia - Jefferson City	263	118	Columbus - Tupelo	206	189
Anaheim	315	49	Bristol - Kingsport - Johnson City	262	119	Great Falls	206	189
Knoxville	313	50	Cedar Rapids - Waterloo - Dubuque	262	119	Wilkes-Barre - Scranton	206	189
Wilmington	312	51	Madison	261	121	Ardmore - Ada	205	192
Greenville - Spartanburg - Asheville	311	52	Laurel - Hattiesburg	260	122	Philadelphia	205	192
Montgomery - Selma	311	52	Milwaukee	260	122	Wausau - Rhinelander	205	192
Lubbock	310	54	Tallahassee - Thomasville	260	122	Marquette	201	195
Norfolk - Portsmouth - Newport News - Hampton	309	55	Billings - Hardin	259	125	Sioux Falls - Mitchell	201	195
New Orleans	306	56	Salt Lake City	258	126	Watertown - Canthage	199	197
Sacramento - Stockton	305	57	Minneapolis - St. Paul	257	127	Duluth - Superior	196	198
Greensboro - Winston-Salem - High Point	304	58	West Palm Beach - Ft. Pierce			Ottumwa - Kirksville	195	199
Oklahoma City	303	59	Vero Beach	257	127	Jonesboro	194	200
Tulsa	303	59	Butte	256	129	Johnstown - Altoona	187	201
Birmingham	302	61	Ablene - Sweetwater	255	130	Utica	187	201
Cheyenne - Scottsbluff (Sterling)	301	62	Helena	254	131	El Centro - Yuma	178	203
Columbia, S.C.	300	63	Colorado Springs - Pueblo	253	132	Alpena	171	204
Salinas - Monterey	300	63	Springfield, Mo.	253	132	New York	171	204
Las Vegas	299	65	Youngstown	253	132	McAllen - Brownsville	167	206
Macon	299	65	Roanoke - Lynchburg	252	135	Presque Isle	167	206
Topeka	298	67	Des Moines	251	136	Elmira	161	208
Panama City	297	69	Hartford - New Haven	251	136	Binghamton	145	209
Springfield - Decatur - Champaign	297	68	Wheeling - Steubenville	251	136			
Flint	296	70	Albany, Ga.	250	139			
			Clarksburg - Weston	250	139			
						Total U.S. ADI	280	

1991 Per Capita Restaurant Sales

ADI	Per Capita Sales	Rank	ADI	Per Capita Sales	Rank	ADI	Per Capita Sales	Rank
Sarasota	640	1	Rochester, N.Y.	309	71	Oklahoma City	230	142
Salisbury	639	2	Cleveland	305	72	Minot - Bismarck - Dickinson - Glendive	226	143
Boston	629	3	Dallas - Ft. Worth	304	73	Hagerstown	224	144
San Francisco - Oakland - San Jose	590	4	Duluth - Superior	303	74	St. Joseph	224	144
Santa Barbara - Santa Maria			Buffalo	302	75	Roanoke - Lynchburg	223	146
San Luis Obispo	586	5	Charleston, S.C.	302	75	Greenville - Spartanburg - Asheville	220	147
Grand Junction - Durango	560	6	Lansing	302	75	Tyler - Longview - Jacksonville	219	148
Portland - Poland Spring	533	7	Syracuse	302	75	Salt Lake City	215	149
West Palm Beach - Ft. Pierce			Grand Rapids - Kalamazoo - Battle Creek	301	79	Wilmington	215	149
Vero Beach	527	8	Columbus, Ohio	300	80	Topeka	213	151
Seattle - Tacoma	526	9	New Orleans	300	80	Tulsa	212	152
Bend	525	10	Twin Falls	300	80	San Angelo	211	153
Salinas - Monterey	513	11	Colorado Springs - Pueblo	299	83	Joplin - Pittsburg	207	154
Flagstaff	499	12	Sioux Falls - Mitchell	299	83	Columbia - Jefferson City	204	155
Miami - Ft. Lauderdale	496	13	Ft. Wayne	298	85	Lexington	202	156
Ft. Myers - Naples	490	14	Rochester - Mason City - Austin	298	85	Macon	200	157
Springfield, Mass.	489	15	Toledo	298	85	Waco - Temple - Bryan	200	157
Orlando - Daytona Beach - Melbourne	486	16	Lafayette, Ind.	295	88	Beaumont - Port Arthur	197	159
Burlington - Plattsburgh	464	17	Zanesville	295	88	Evansville	197	159
Los Angeles	461	18	Omaha	294	90	Wichita Falls - Lawton	197	159
Providence - New Bedford	461	18	Cedar Rapids - Waterloo - Dubuque	293	91	Chattanooga	193	162
Portland, Ore.	459	20	Flint - Saginaw - Bay City	291	92	Greenville - New Bern - Washington	192	163
San Diego	454	21	Great Falls	291	92	Springfield, Mo.	192	163
Denver	442	22	Boise	290	94	Harrisburg	191	165
Hartford - New Haven	433	23	Albuquerque	288	95	Corpus Christi	190	166
Eugene	421	24	Springfield - Decatur - Champaign	288	95	El Paso	189	167
Panama City	416	25	Des Moines	284	97	Augusta	187	168
Madison	409	26	Tucson	284	97	Anneston	184	169
Washington, D.C.	407	27	Rockford	283	99	Laredo	184	169
Albany - Schenectady - Troy	385	28	Kansas City	280	100	Azalea - Sweetwater	183	171
Gainesville	382	29	Baltimore	279	101	Little Rock	183	171
Medford	382	29	Houston	279	101	Odessa - Midland	183	171
Chicago	381	31	Erie	278	103	Parkersburg	183	171
Butte	380	32	Norfolk - Portsmouth - Newport News			Blacksburg - Gulfport - Pascagoula	178	175
Charlottesville	378	33	Hampton	278	103	Wheeling - Steubenville	175	176
Cheyenne - Scottsbluff (Sterling)	376	34	Marquette	276	105	Lafayette, La.	172	177
Helena	376	34	Peoria - Bloomington	273	106	Columbus, Ga.	171	178
Minneapolis - St. Paul	375	36	Fresno - Visalia	272	107	Lake Charles	171	178
Eureka	374	37	Pittsburgh	272	107	Ft. Smith	170	180
New York	372	38	Tallahassee - Thomasville	272	107	Quincy - Hannibal	170	180
Yakima - Pasco - Richland - Kennewick	371	39	Bakersfield	271	110	Tuscaloosa	170	180
Missoula	367	40	Fargo	269	111	Birmingham	169	183
Billings - Hardin	365	41	Watertown - Canby	269	111	Terre Haute	169	183
Florence - Myrtle Beach	365	41	Davenport - Rock Island - Moline	268	113	Memphis	168	185
Milwaukee	365	41	Presque Isle	267	114	Paducah - Cape Girardeau - Hannsburg		
La Crosse - Eau Claire	363	44	Knoxville	265	115	Manion	168	185
Wausau - Rhinelander	361	45	South Bend - Elkhart	264	116	Dothan	161	187
Sacramento - Stockton	360	46	El Centro - Yuma	263	117	Ottumwa - Keokuk	161	187
Tampa - St. Petersburg	358	47	Nashville	263	117	Shreveport - Texarkana	161	187
Green Bay - Appleton	355	48	Indianapolis	262	119	Belton - Rouge	158	190
Phoenix	349	49	San Antonio - Victoria	262	119	Bowling Green	157	191
Cincinnati	348	50	St. Louis	260	121	Charleston - Huntington	156	192
Mankato	342	51	Wilkes-Barre - Scranton	260	121	Jackson, Tenn.	152	193
Spokane	341	52	Dayton	259	123	Jackson, Miss.	151	194
Bangor	340	53	Birmingham	254	124	Albany, Ga.	149	195
Palm Springs	340	53	Mobile - Pensacola	254	124	Huntsville - Decatur - Florence	149	195
Reno	339	55	Lincoln - Hastings - Kearney	253	126	Monroe - El Dorado	147	197
North Platte	337	56	Wichita - Hutchinson	250	127	Alexandria, La.	141	198
Utica	337	56	Youngstown	250	127	McAllen - Brownsville	141	198
Detroit	336	58	Elmira	249	129	Montgomery - Selma	139	200
Austin, Tex.	333	59	Johnstown - Altoona	249	129	Bristol - Kingsport - Johnson City	132	201
Traverse City - Cadillac	332	60	Lubbock	242	131	Clarksburg - Weston	125	202
Rapid City	329	61	Savannah	242	131	Bluefield - Beckley - Oak Hill	118	203
Chico - Redding	326	62	Amarillo	241	133	Ardmore - Ada	114	204
Jacksonville	324	63	Greensboro - Winston-Salem - High Point	241	133	Laurel - Hattiesburg	109	205
Philadelphia	323	64	Columbia, S.C.	239	135	Jonesboro	106	206
Harrisburg - York - Lancaster - Lebanon	318	65	Richmond	237	136	Mandan	96	207
Las Vegas	317	66	Louisville	236	137	Greenwood - Greenville	93	208
Casper - Riverton	315	67	Idaho Falls - Pocatello	235	138	Columbus - Tupelo	85	209
Lima	313	68	Charlotte	234	139			
Atlanta	311	69	Alpens	233	140			
Raleigh - Durham	311	69	Sioux City	231	141			
						Total U.S. ADIs	337	

THE TAX MAN COMETH TO ANDREW, MEET AGO IN THE VOTE WHO'S BETTER?

C1200-5

ROUNDUP

CAN AN EASTERN BILLIONAIRE CORRAL A HERD OF RESTAURANTS INTO ONE TEAM?

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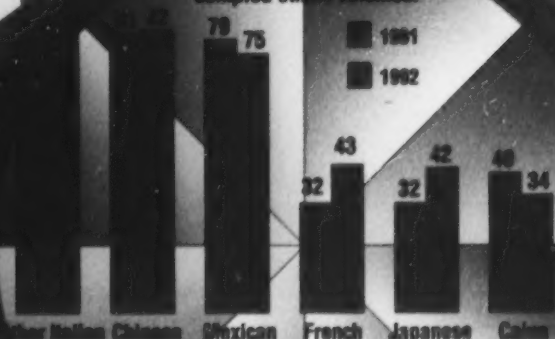
BUSINESS BAROMETER

Favorite Ethnic Foods: Some Surprises

French and Japanese foods are gaining favor, but pizza remains the most popular ethnic food among Americans, according to a survey of 1,000 consumers polled at shopping malls across the country. Conversely, Americans have turned up their noses at once-popular soul food and Cajun, and seem to have lost some of their enthusiasm for Mexican.

92% 93%

% respondents who have sampled ethnic cuisines:

 1981
1992


Source: The Research Advantage Inc.

Reducing Dining-Out Expenses: Consumers' Penny-pinching Ways

In an effort to keep their dining-out expenses down, in the last two years consumers have resorted to a number of cost-saving devices—from skipping desserts and coffee to ordering water instead of beverages.

% among consumers of the last 24 months:

Look for discounts	68%
Order water instead of beverages	48
Skip desserts	36
Order less expensive entrees	34
Ward table and instead of eat-in	30
Help waitress	27
Share portions of meat	27
Order fewer of the specials	26
Fast food instead of sit-down	26
Grab-and-go instead of sit-down	23

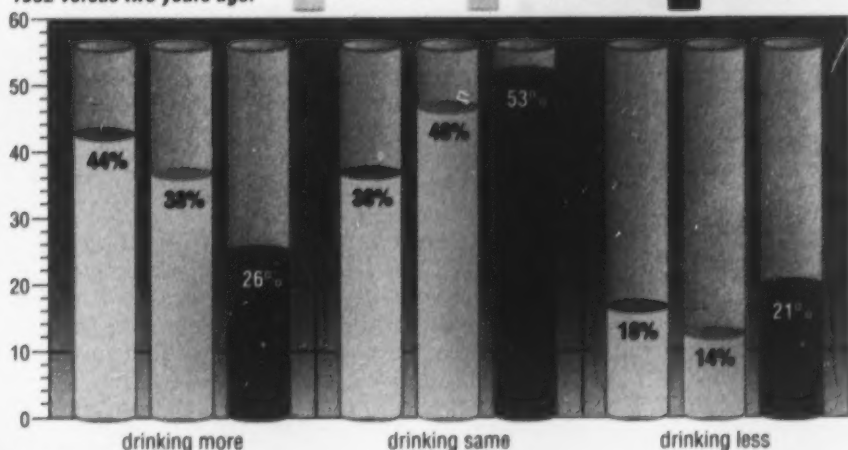
Source: The Research Advantage Inc.

1992 versus two years ago:

Bottled water

Fruit juices/drinks

Carbonated drinks



Beverage Behavior: It's More Prudent

Customers are drinking much more bottled water and fruit drinks and juices when dining out than they did two years ago. In contrast, carbonated beverages seem to have lost some of their fizz.

Source: The Research Advantage Inc.

Charts by Peter K. Niesberg



COVER STORY

METROMEDIA ROUNDUP. Billionaire John Werner Kluge wants to consolidate his restaurant empire, to merge Metromedia Steakhouses with S&A, parent of Steak & Ale and Bennigans. To do so, he has had to clean house and mend fences. But will it be enough? 86

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Cover illustration by Stan Watts

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DRAFTS, CARAFES & SPIRITS HOT DRINKS. There's something appealing about a mug of Irish Coffee or a spiked hot chocolate so break out those hot drink recipes in time for the holidays 155

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IN THE NEXT ISSUE

MAJOR FEATURE TW SERVICES. The operator of Denny's, Spartan Foodservice (the largest Hardee's franchisee), Canteen, Quincy's Steak Houses, and El Pollo Loco, is now under a new majority owner, KKR. *RB* investigates why it was necessary for powerhouse KKR to take over and what the change will mean for the company.

TEST KITCHEN PORK POSSIBILITIES. Chefs go whole hog, using other pork products—ham, sausage, rib, and shoulder cuts—in addition to the lean tenderloin to create economical presentations.

DRAFTS, CARAFES SPARKLING WINE. Holidays present the best opportunity to market sparklers, so it's time to gear up for promotions. However, many sparkling wines offer such good price value that you can offer them anytime.

MARKET SEGMENT REPORT TAKE-OUT. This report will focus on drive-thru-only chains, kiosks, carts, and other limited-space and market alternatives.

EQUIPMENT I.Q. ON THE GO. And if you're looking to outfit for take-out, here's the low down on kiosks, carts, and all sorts of mobile equipment.

TEST KITCHEN:
Potatoes, p. 101.

SANITATION TRAINING TAPES

Get that 'ounce of prevention' with **RB** magazine's professionally produced, easy-to-absorb video tapes. Provides up to 50 minutes of instruction on sanitary practices. Each tape can be used independently or as a set and includes a 'Leader's Guide' to show how to conduct group discussions and written exams.



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Tape 1: Personal Hygiene
and Cleaning Equipment *New!*
R/T 22:30

SANITATION:
Recipe For A Clean Restaurant
Tape 2: Food Handling *New!*
R/T 26:34

THE PROFESSIONAL SERVER:
How to Increase Sales and Tips
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CARD # _____

EXPIRATION _____

_____ Tape 1: Personal Hygiene &
Cleaning Equipment

Cost of Tapes \$ _____

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N.Y. Residents Add 8.25% Sales Tax ... _____

_____ The Professional Server

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RESTAURANT BUSINESS/OCTOBER 10, 1992



CHICKEN

MARKET SEGMENT REPORT

Food authority Brillat-Savarin once said, "Poultry is for the cook what canvas is for the painter." While it's true that chicken adapts remarkably well to an astounding variety of preparations, cuisines, and sauces, Americans still seem to like the bird best in its simplest forms: breaded and fried or marinated and roasted.

Restaurateurs find this encouraging, especially since consumers are eating more chicken these days than ever before. A juicy slab of steak may be what people order when out for that special anniversary dinner, operators reason, but chicken with a couple of simple side dishes is what folks want when they're picking up dinner for the family on the way home from the office.

Simply prepared chicken takes many forms—enough to allow chicken-only chains to distinguish themselves from one another. Although its menu is varied, KFC still does a bang-up business with its Original Recipe, while Pudgie's mainstay is skinless fried, and Popeyes' signature is a spicy Cajun-style. Koo Koo Roo's claim to would-be fame is marinated, skinless flame-broiled chicken, while Kenny Rogers Roasters boasts "It's the wood that makes it good." Linda's signature is a brick oven in the restaurant window, International Poultry Company's is a half dozen varieties of fresh chicken, Boston Chicken's is a rotisserie product, and start-up Hot Bird is sure that an easy-to-remember phone number will make it the delivery company of the decade.

Niches aside, every concept strives to draw a wide base of customers and ends up taking similar approaches in some areas. Some kind of non-fried chicken has appeared on most chicken restaurant menus. The product never outsells fried on menus that feature both, but it does bring in business that might otherwise be lost. "Pudgie's Flavor-Roasted Skinless Chicken"

Although it bills itself as a fried chicken chain, Pudgie's offers an alternative with its Flavor-Roasted Skinless Chicken.

Each chain has its own claim to fame, and a niche for marketing the same bird.

By Rona Gindin





CHICKEN

MARKET SEGMENT REPORT

is never going to become the headliner," admits Steve Wasserman, the chain's president and CEO. But the product is doing well enough in test to keep it on the menu.

Delivery has been tested by nearly every chicken chain around, and the consensus is unanimous: Delivery only works for chicken restaurants that are dedicated to that service mode, never for those who treat it as an easy add-on business. For places with strong eat-in or take-out businesses, delivery proves far too expensive to operate in most areas. "Delivery is a very difficult concept, but we're working on it," Bojangles' president and CEO Dick Campbell explains. "We've got the operations issues resolved; now we need to resolve the economic issues. It's hard to make money on delivery."

Eager to expand across the nation, newer chains tend to speak of beating out industry giant KFC whenever discussing their plans. "If I located one of my stores across the street from KFC, I would take a tremendous portion of their business," claims Gregg

Americans prefer poultry in simple forms:

breaded and fried or marinated and roasted

Steinhauser, owner of International Poultry Company. "I have fresh poultry—it's never frozen, I offer quality, I do take-out and delivery, and I guarantee cleanliness."

However, the closest 8,000-plus unit KFC comes to having a real competitor in the chicken market is Al Copeland Enterprises, which owns the Church's and Popeyes chains, with a total of 2,000 units. Copeland is in the midst of hacking out a Chapter 11 bankruptcy plan, so the challenge to KFC, at least for the time being, is small. Chicken sandwiches on the menus of several hamburger- and roast beef-oriented fast-food chains pose a more immediate threat.

With all the chatter from start-up competitors, KFC Corp. seems to be holding its own. The Louisville, Ky.-based subsidiary of PepsiCo continues to grow. The chain added nearly 300

company and franchised stores around the world last year for a total of 8,480. Unit volumes increased by \$20,000 to \$669,000, and systemwide sales rose from \$5.8 billion to \$6.2 billion.

Nontraditional locations such as college and corporate cafeterias have become a major growth area. In most instances, contractors franchise a miniature KFC operation, such as a counter-top merchandiser or a kiosk. KFC kiosks are likely to start showing up in airports by the end of the year, too. "We see a tremendous opportunity for growth in nontraditional units," says director of public affairs Richard Detwiler.

KFC is attempting several ways to increase per-store sales around the country. Four- to six-week runs of promotional products have been successful. Recently, short runs of Honey BBQ chicken and wings, Oriental Wings, and Hot Wings helped increase the frequency of customer visits, Detwiler reports. Some stores added Hot Wings to the standard menu, which features chicken varieties such as Original Recipe, Skinfree Crispy (added early this year in some markets), Extra Tasty Crispy, Hot & Spicy, and Kentucky Nuggets. Popcorn Chicken—bite-size fried dark meat—is the newest addition.

Just as Skinfree Crispy chicken plays to consumers in upscale markets, KFC is aiming to appeal to residents of African-American neigh-

continued on page 170



A pioneer in marinated, grilled chicken, El Pollo Loco's product has a definite Mexican accent.

CHICKEN

MARKET SEGMENT REPORT

borhoods with a new "Neighborhood KFC" concept. Located in Baltimore and Chicago, they feature colorful "Kente"-cloth uniforms, decors with African-American themes, and menu adaptations such as Mean Greens (collard greens).

Traditionally a counter-service fast-food concept, the company is testing a KFC Buffet variation in 175 Arkansas units. For \$3.99 at lunch and \$4.99 at dinner, customers can help themselves to unlimited portions of chicken, mashed potatoes, vegetables, salads, and desserts. Initial results indicate that per-store sales have increased, Detwiler says.

Delivery is another test concept at KFC. More than 100 restaurants are trying home delivery now and more will test it next year, but the trial "is growing slowly," Detwiler emphasizes. "It's very important to go into the right places, and some markets are not suited for delivery."

While working to increase same-store sales in domestic markets, KFC continues to expand aggressively overseas. The chain is already strong in the Pacific Rim—Japan alone has 1,000 units—and Europe is a new focus. This fall a new store in Hungary will be the chain's first in Eastern Europe. KFC operates in 63 countries.

At 11 years old, Pudgie's Famous Chicken, Ltd., has recently become an aggressive competitor in the fast-food chicken market. The Woodbury, N.Y.-based chain grew slowly and quietly until it began franchising in 1989; two years later, the chain had 90 restaurants open, franchise agreements for another 40 sold, and plans to open 500 new restaurants within three years. Started in a New York City sub-

urb, Pudgie's is now expanding to Massachusetts, Illinois, North Carolina, New Jersey, Virginia, Maryland, Florida, and Texas.

Although Pudgie's markets itself as a fried chicken chain, its menu is far more extensive. Ribs, fried shrimp, fried clams, hot wings, chicken nuggets and strips, and side dishes such as mashed potatoes, rice, biscuits, rolls, and corn on the cob make for a lengthy menu.

Today, Pudgie's is test-marketing Gourmet Chicken Salad made from breast muscle meat and Flavor-Roasted Skinless Chicken, which has "done okay in test as a cold weather item," according to Wasserman.

Pudgie's has seating in a few restaurants and delivers from all stores. A prototype for a modular double-drive-thru unit represents the next step. Pudgie's, which is privately held, gener-

ates unit sales of \$500,000 to \$1 million.

Fledgling chain Koo Koo Roo is moving to set up shop all over the country in a short period of time, but meanwhile it is reformatting its concept. The Los Angeles-based company was a fast-food chain selling skinless, marinated, flame-broiled chicken and seven side dishes. This summer, it began converting all 12 stores to a concept closer to a casual-dining establishment.

Koo Koo Roo stores now sell three types of chicken (original, barbecue, and rotisserie), game hens, five chicken sandwiches (Italian, Mexican, Chinese, barbecue, and original) and several side and entree salads in addition to its original menu. Continental breakfast features bake-off muffins, bagels, and cinnamon buns. Kitchens have been expanded to accommodate future menu

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A division of Shoney's, Inc., Lee's offers four types of chicken, including skinless.

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additions. Movable tables and chairs padded in primary colors replace pink booths and stationary furniture.

Koo Koo Roo's growth trail has been rocky. A group of fine-dining veterans started the concept with a Los Angeles store and began franchising quickly. In addition to California, stores are located in New York, Florida, Nevada, and Atlantic City, N.J. The company went public one year ago, and its stock price plummeted from \$5 a share to \$1.25; at presstime, it had inched back up to \$2 per share. Founder Mike Badalian recently resigned to become a franchisee.

Undeterred, the company continues to plow ahead. "If we have 25 units this time next year, I'll be happy," says senior vice president Russell J. Ruscigno about growth plans. Average unit volumes are rising slowly, from \$460,000 in 1990 to \$490,000 in 1991. The new Atlantic City store alone will likely generate more than \$2.5 million, Ruscigno predicts. Systemwide sales were \$1.4 million in 1990 and \$2.5 million in 1991. Checks average \$6.75.

Two concepts more upscale in appearance and featuring extensive menus are making inroads on the East Coast—Boston Chicken and International Poultry Kitchen. Boston

The greatest competitive threat comes from outside, from other fast-food chains now marketing chicken

Chicken has quickly racked up 47 stores, plans to have 80 by the end of this year and predicts the opening of another 90 to 100 next year. Half the stores are franchised.

Boston Chicken, recently relocated from Boston to Naperville, Ill., features rotisserie chicken, pot pies, chicken salad, pasta salads, and 20 side dishes. About 70% of stores have 30 to 40 seats, though take-out represents a large portion of the chain's business.

A new investment group team led by vice chairman Saad Nadhir took over management of Boston Chicken last year. Founder George Naddaff resigned as chairman and CEO this summer and was replaced by Scott A. Beck. The group invested \$12 million in Boston Chicken and is seeking an additional \$30 million from investors and banks.

International Poultry Kitchen, in New York City, has perhaps the most extensive menu of the chicken chains, although a scaled-down version will appear in smaller units as the chain expands outside its Manhattan base.

International Poultry Kitchen's take-out and delivery-only shops stock 70 items, including several varieties of chicken (among them skinless fried, teriyaki, and Santa Fe, with patents pending on new oat bran and whole wheat varieties), seven soups, and an endless array of side dishes. The company's fifth store is under development.

International Poultry Kitchen's current units are located in residential Manhattan neighborhoods, where heavy traffic, catering sales, and \$15 to \$20 average checks help per-store sales exceed \$1 million a year. The scaled-down version will likely be opened in the city and the surrounding suburbs, according to owner Gregg Steinhauser. "We can limit the menu to only 20 items," he explains. As many as three ministores might be built in a year, and Steinhauser is "strongly considering franchising."

Two other concepts in the New York market are aiming for big business. Three-year-old Hot Bird, based in a yuppie neighborhood in Brooklyn, has plans to saturate the country with its take-out and delivery stores. So far, one company-owned and one franchised store sell marinated rotisserie chicken, ribs, baked potatoes, corn on the cob, Dijon coleslaw, and dill potato salad to the tune of about \$300,000 each. A whole chicken with four side dishes runs \$15.95 when delivered, \$13.50 in the store. Checks average \$15 for delivery and \$9 in the store.

President Mike Weinberger says franchise development is in the works for New York's Westchester County, New Jersey, West Virginia, and North Carolina. All stores will have the telephone number 800-HOT-BIRD.

Weinberger credits his operating profit of \$60,000 per store to an efficient operation that requires little labor or inventory. Only 34 items are stocked at

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a Hot Bird, including paper goods, and the stores require one full-time employee. Part-time employees comprise the rest of the staff.

Empire Kosher Chicken Restaurants is taking an entirely different approach to both the chicken market and growth. Empire, a partnership between president Ezra Douek and Empire Kosher Poultry, features a variety of poultry dinners served cafeteria-style.

Each of Empire's three restaurants is decorated with carpeting, artwork, and flowers. Chicken is available flame-broiled, rotisserie, roasted, or fried; turkey entrees supplement the selection. Eat-in meals are served on china. A quarter-chicken dinner with two vegetables and a corn muffin costs \$4.95. Take-out and delivery account for half of sales.

Empire's two company-owned stores are in New York City's Queens and Manhattan sections, and its sole franchised location is in Cleveland. Through company and franchised units, Empire hopes to move into additional markets with active Jewish populations, although Douek emphasizes that only a limited percentage of customers are Jews who regularly follow kosher dietary laws. Following Jewish law, the restaurant is closed on Saturdays and Jewish holidays.

Although admitting he "would like 200 restaurants," Douek insists he will sell franchise agreements for only one restaurant at a time. He says he's looking for hands-on operators.

Douek will not reveal sales information, but indicates that his 72-seat restaurants generate sales "above average" compared to competitors. "We

work only five-and-a-half days a week and, compared to any franchised restaurant, we do better," he claims.

Right outside New York City, Linda's Flame Roasted Chicken is aiming to make a splash in New Jersey. Restaurant Associates veteran Peter Weissbrod and his wife Linda opened their first restaurant in West Caldwell last November, will open a second soon, and have a third planned to open by the end of the year. The Weissbrods are looking into franchising and plan to build five additional units in 1993.

Linda's Chicken features rows of poultry flame-roasting in a brick hearth in the windows of its strip center locations. Customers order quarter to whole chickens, dinner packs, pot pies, salads, and soup at a counter, then take the food home or eat it in the store's dining room. The first unit has 65 seats; the second will have 40. Side dishes include roasted sweet potato, "smashed" potatoes and gravy, coleslaw, and pasta primavera. Checks average \$5.70.

Unfazed by newfangled start-ups,

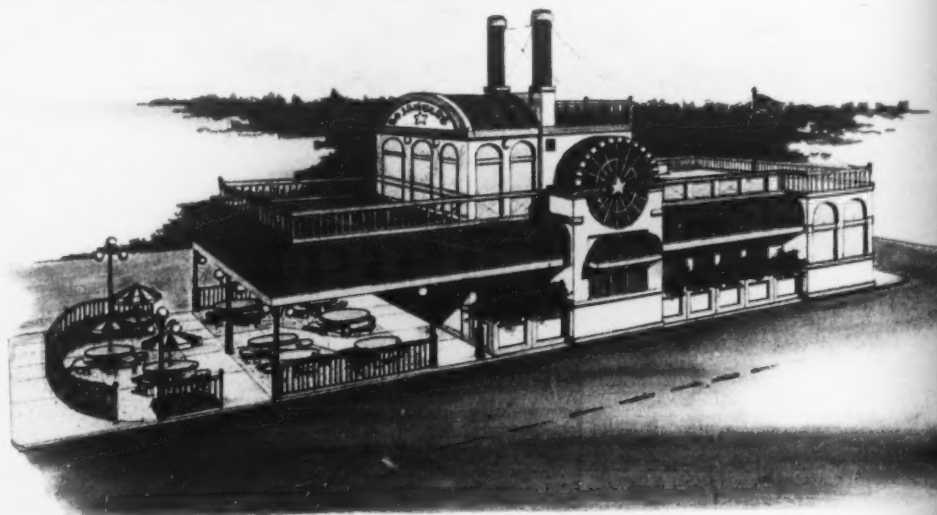
several regional chains, most in the South, continue to operate quietly in their markets. Lee's Famous Recipe Chicken, a subsidiary of Nashville, Tenn.-based Shoney's, Inc., operates and franchises 281 fast-food chicken restaurants in 20 states, most concentrated in Kentucky and Ohio.

Lee's features up to four varieties of chicken in each store: Pressure-Cooked Famous Recipe, Crispy Plus (mildly spicy), Skinless Fried, and Oven-Roasted, which accounts for 10% of sales. Lee's menu also includes 10 vegetables and chicken breast strips.

Looking to increase variety, Lee's recently added Hot Inferno Wings and Sweet Wing Things, a barbecue-flavored product. Purchased mostly as appetizers and snacks, the products are "doing pretty decently," reports vice president of marketing Harry Klapheke, but "they're not butt-kickers by any means."

Desserts are being rolled out chain-wide now. Brownies, muffins, strudel and cream horns have replaced the chain's prepackaged pies. "We wanted a high-quality dessert program to complement our menu," Klapheke explains, noting it is too early to tell if the new desserts will help raise check averages.

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Bojangles' drive-thru riverboat prototype unit will sell the full menu.

**Still segment leader, 8,000-plus unit KFC has
systemwide sales of \$6.2 billion**

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While enhancing its menu inside the stores, Lee's is freshening up its stores' exteriors, as well. As part of an image

enhancement program, Lee's is in the process of changing roofs from red to charcoal, adding neon to the exterior,

changing outside walls from white to beige, and replacing signs with new logos that incorporate the word Lee's (only some units had it before) and eliminating the word "Fried." Part of Lee's image enhancement effort included booting unsuccessful and poorly run units from the system, meaning 20 restaurants closed over the past year as 20 have opened. Thirty new stores are planned for 1993. In 1990 and 1991, unit volumes averaged \$520,000 and systemwide sales topped \$145 million.

Atlanta-based Chick-fil-A continues to fill out existing markets through three relatively new avenues of growth. Specializing in a fried, boneless breast of chicken sandwich, Chick-fil-A owns 465 restaurants in 31 states. Licensees run most stores. Chick-fil-A has traditionally set up shop in malls, but new growth has predominantly been in free-standing Chick-fil-A and Dwarf House restaurants, as well as in nontraditional locations such as colleges.

Since 1989, Chick-fil-A has opened more than 40 freestanding restaurants under this name, a majority in Atlanta; Charlotte, N.C.; and Valdosta, Ga. Freestanding restaurants have the typical Chick-fil-A menu, available at the counter (the dining room has 90 seats) and from a drive-thru window.

The company's Dwarf House concept features two restaurants in one free-standing building: a typical Chick-fil-A fast food/drive-thru restaurant on one side; a table-service restaurant with a more extensive menu on the other. The table-service menu includes made-to-order breakfast, Hot Brown (a chicken casserole), salads, steaks, chops, and more. Standard Chick-fil-A items sell at the Dwarf House for the same price as in fast-food units. The six 150-seat Dwarf Houses, all in Atlanta, are decorated in typical Chick-fil-A red, brass, and oak; however, china plates, real glassware, and stainless utensils are used and decor is more upscale.

Looking for yet more outlets for its product line, Chick-fil-A is working with foodservice contractors at several colleges, who have uniformed employees sell the chain's core products from a

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miniature unit. These licensing agreements have been so successful that the company is now looking into corporate dining rooms and, through a catering arrangement, secondary schools.

In its standard locations, Chick-fil-A now sells Grilled 'n Lites in addition to its traditional menu items. Rolled out in March, Grilled 'n Lites are marinated, chargrilled chunks of breast tenderloin served on two skewers for \$1.95. The chain markets Grilled 'n Lites as having fewer than 50 calories per skewer and only 16% of calories from fat. Early results indicate that Grilled 'n Lites bring in a new, health-conscious consumer.

Chick-fil-A's consistent, conservative approach to doing business continues to

serve the company well. With an average check of \$3.47, restaurants pulled in an average of \$687,000 in 1991, up \$6,000 from a year earlier. Systemwide sales rose 11% in 1991 to \$324.5 million from \$293 million a year earlier.

Bojangles' Famous Chicken & Biscuits of Charlotte, N.C., is trying to make a comeback under the guidance of former KFC executive Dick Campbell. Down from a high of 335 units to only 175 units today,



Hot Bird stresses an easy-to-remember phone number.

the fast-food chain specializing in spicy fried chicken is on the upswing once again. In fact, privately held parent BJ Acquisition Corp. plans to have 350 Bojangles' up and operating in the Carolinas, Virginia, and Georgia within five years.

Campbell has taken several aggressive steps toward reviving the chain: First, he is buying back a number of franchised units, including 27 from the franchisee who controls most of South Carolina. "When Horn & Hardart owned Bojangles'," he explains, "it awarded exclusive development rights to franchisees, but those franchisees weren't required to build beyond a nominal amount of stores. We will build more stores. Plus, we make more money operating company restaurants than we do franchised ones." Campbell said he'll sell only two or three franchise agreements a year, and those will go to potential multi-unit operators.

Second, Campbell hired an in-house construction crew to remodel every acquired unit. Each restaurant is made to replicate an original Bojangles' "very New Orleans-type look," Campbell says. Remodels also receive new equipment and a human resources program.

Third, Bojangles' opened its first double-drive-thru unit in May, and sales are projected to top \$1 million during the first year of operation. Campbell plans to build a 1,000-sq.-ft. prototype, which looks like a riverboat and sells the full Bojangles' menu, in small communi-

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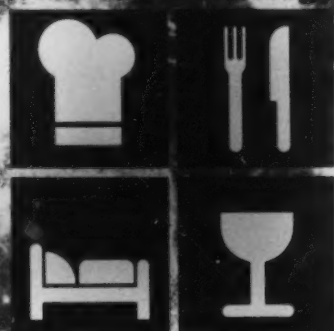
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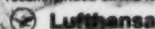
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ties, on odd lots, and in resorts.

Fourth, menu additions are rampant. Buffalo Bites are boneless, skinless, marinated chicken pieces. Bo's Cajun Roast, an oven-roasted, skinless, bone-in product, is in test, and a chicken burger is under development.

Campbell's developments have been paying off so far. Restaurants brought in an average of \$923,000, a rise from \$780,000 a year earlier. Systemwide sales rose from \$123 million in 1990 to \$127.9 million in 1991, and are expected to reach \$146 million in 1992. Checks average \$3.70.

Despite the promising future for many chicken chains, some are still working to find the right concept. Cajun Joe's, the Milford, Conn.-based cousin of Subway, has pulled back considerably in the past year to evaluate its options. The all-franchised chain had 150 restaurants last year and is down to 90 today.

Over the last few months, Cajun Joe's tested changing its name to Cajoe's and found the change detrimental. "We found that once there's a certain level of name recognition, it's not a positive thing to change the name," reports president Dick Cromwell.

A test of whole roasted chicken, however, proved a good idea. Ribs will be added to Cajun Joe's menu soon, and side orders such as rice and mashed potatoes round out the fast-food chain's offerings. Most Cajun Joe's seat from 20 to 30. A "handful" deliver.

Like Cajun Joe's, Irvine, Calif.-based El Pollo Loco is looking to refine its image before continuing aggressive expansion. A subsidiary of TW Services, El Pollo Loco is a chain of 204 company-owned and franchised fast-food restaurants specializing in marinated, flame-broiled chicken. Most stores are in the Los Angeles area. Last year was rough

for the chain, as same-store sales plummeted 10.8% to \$808,000, average checks dropped 4% to \$6.87 and revenues fell 3.9% to \$100.9 million.

Steak fajita tacos and burritos were added to the menus. "We're repositioning the chain away from chicken and more toward being a quick-service grill concept," explains director of marketing Norman McKinnon. "So far these items have taken on a respectable percentage of the menu mix."

El Pollo Loco is testing delivery, and is also testing the sale of chicken burritos to three high school cafeterias, which resell the sandwiches, and a limited menu in a food court at California State-Northridge.

Whether at college, at school, at work, or on the highway, Americans will soon be able to pick up a chicken meal at a moment's notice.



KFC's new Honey BBQ product.